

# Towards SUSTAINABILITY

Annual Report

2021

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## **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

#### DATO' TAN HENG CHEW

President

#### TAN KENG MENG

Chief Executive Officer

#### **CHIN YEN SONG**

**Executive Director** 

#### DATUK ABDULLAH BIN ABDUL WAHAB

Senior Independent Non-Executive Director

#### **SOH ENG HOOL**

Independent

Non-Executive Director

#### LEE MIN ON

Independent
Non-Executive Director

#### **CHIN TEN HOY**

Non-Independent
Non-Executive Director

#### **BOARD COMMITTEES**

#### **AUDIT COMMITTEE**

Chairman

Soh Eng Hooi

Members

Datuk Abdullah bin Abdul Wahab

Lee Min On

## NOMINATING AND REMUNERATION COMMITTEE

Chairman

Datuk Abdullah bin Abdul Wahab

Members

Soh Eng Hooi Lee Min On

#### **COMPANY SECRETARIES**

Ang Lay Bee (MAICSA 0825641) (SSM PC No. 201908003958)

Lee Koon Seng (MIA 8143) (SSM PC No. 2021080<u>00587)</u>

#### **REGISTERED OFFICE**

62-68, Jalan Sultan Azlan Shah 51200 Kuala Lumpur

Malaysia

Tel No. : +603 4047 8888 Fax No. : +603 4047 8636

#### **CORPORATE OFFICE**

No. 15-3, Tingkat 3 Jalan Ipoh Kecil 50350 Kuala Lumpur

Malaysia

Tel No. : +603 4047 9733 Fax No. : +603 4047 9722

Email : corporate@warisantc.com

#### **CORPORATE WEBSITE**

www.warisantc.com.my

#### **SHARE REGISTRAR**

Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia

Tel No. : +603 2783 9299 Fax No. : +603 2783 9222

Email: is.enquiry@my.tricorglobal.com

#### **AUDITORS**

Mazars PLT Wisma Golden Eagle Realty 11<sup>th</sup> Floor, South Block 142-A, Jalan Ampang 50450 Kuala Lumpur Malaysia

#### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Date of Listing: 15 December 1999

Stock Name : WARISAN Stock Code : 5016

Sector : Consumer Products

& Services

## **BUSINESS DIVISIONS**



#### **AUTOMOTIVE**

- Light commercial
- Heavy commercial
- Pick-up truck Used vehicle auction

### **TRAVEL & CAR RENTAL**

- outbound tour
- Corporate travel
- Airline ticketing
- One-stop online
- travelling solution Car and coach rental
- Chauffeur service
  On demand car sharing platform via GoCar mobile application





#### **MACHINERY**

- Material handling equipment, forklift, factory scrubber and sweeper

  Construction
- Construction equipment (road, earthwork, quarry and mining)
   Off-road dump truck
- Agricultural tractor, golf and turf equipment
- Engine and generatorAir compressor

### **OTHERS**

- Property Investment Assembly of passenger vehicle Cosmetics
- Lingerie

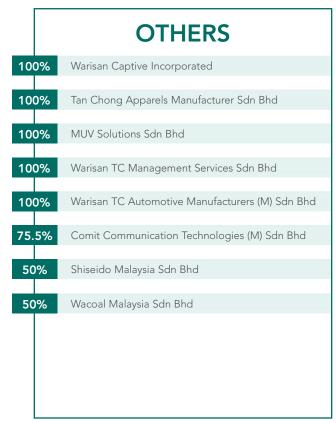


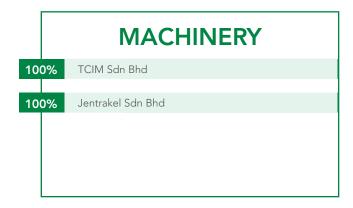
## **CORPORATE STRUCTURE**

AS AT 11 APRIL 2022











## PRESIDENT'S STATEMENT

"

### Dear Shareholders,

On behalf of the Board, I am pleased to present the Annual Report of Warisan TC Holdings Berhad for the financial year ended 31 December 2021 ("FY2021").

"

The COVID-19 pandemic, which began in early 2020 had continued to disrupt the lives and livelihoods through waves of new infections globally. Malaysia too, was not spared. The Malaysian Government had imposed various forms of lockdowns throughout most part of the year; aiming at containment and reduction on loss of lives, as well as relieving the pressure on our public health system. The enforcement of control measures which centered at travel restriction and the 3 months of total lockdown have affected most of the economic sectors. To alleviate the impact, the Government has implemented assistance and economic stimulus packages totaling RM530 million since the outbreak of the virus.

Amidst these background, the Government pushed for high vaccination rate and the third booster shots gained momentum, and the Government gradually eased the movement controls and reopened most of the economic and social sectors towards 4th quarter of the year. For the whole year of 2021, Malaysia's economy rebounded by 3.1%, recovering from a 5.6% fall in 2020, partly also supported by improving external demand from

major trading partners, recovery in commodity prices as well as implementation of infrastructure projects. Nevertheless, downside risk to growth remain, following the uncertainties of the COVID-19 pandemic including the possibility of emergence and spread of new strains of virus.

The Group continues to undertake various actions and measures to address the changing business and economic situation, which include active cost management and cost reduction measures. In some business units, the Group reviewed, restructured and consolidated structure and processes of the businesses. Other areas of focus include right sizing the business staffing level and encourage training and self-development among the staff in order to improve productivities and efficiencies. The Group will continue to embrace the importance of technologies and acknowledged the impact of technologies upon businesses, more so, after enduring the aftermath of the COVID-19 pandemic. Cash-flow management and cash collections remained a top priority to ensure sustainability of our businesses during this trying time.

## PRESIDENT'S STATEMENT

cont'd

#### FINANCIAL PERFORMANCE

Financial Year 2021 is no better than 2020. Most of the economic sectors struggled to stay afloat through much of last year due to the resurgence of the COVID-19 virus. Most of our divisions, namely Travel and Automotive divisions were affected, the impact of which was mitigated by the austerity drive initiated since early 2020. The Group's other divisions as in Machinery, Car Rental and Consumer products were able to put through and stage recovery in the later part of the year with the easing of movement controls and reopening of the economic sectors. As a result, the Group posted an increase of 22.6% in revenue from RM295.3 million in FY2020 to RM361.90 million in the current year with loss before tax dipping from RM58.9 million, a year ago, to RM27.5 million

The Group's financial position remained healthy with shareholders' funds at RM242.2 million (2020: RM274.5 million) and cash and bank balances of RM47.6 million (2020: RM48.6 million) as at 31 December 2021. The net gearing ratio of the Group, however, increased from 0.36 times of shareholders' funds as at last financial year to 0.51 times; mainly due to utilization of the bank facilities as working capital for a new project involving manufacturing, assembling and sales of JMC YUHU pick-up vehicle under the collaboration arrangement with Jiangling Motors Corporation Ltd. The vehicle was officially launched in Malaysia in the third quarter of the year.

#### **DIVIDENDS**

As the global environment remain clouded by the uncertainties arising from the concerns of emergence of new variant of COVID-19 virus that may trigger new containment, the Board did not recommend any declaration of dividends for FY2021 (2020: nil). At this juncture, the Board sees the necessity to conserve cash to ensure sustainability of the business.

#### OUTLOOK

With the easing of the movement controls towards the final quarter of 2021 and the gradual reopening of the economic and social sectors, the Malaysian economy bounced back to growth at 3.6% from a contraction of 4.5% in the preceding quarter; the effect of which, would spill over to the future quarters. The positive outlook is further underpinned by the encouraging external demand from major trading partners, recovery of the commodity prices and the various assistances and stimulus packages implemented by the government throughout the pandemic period. Malaysia is projecting economic growth of between 5.5% and 6.5% for the year 2022 (Source: Economic Outlook 2022 by Ministry of Finance).

However, risks remain attributable to the concerns of emergence of new variants of virus, the current political tension and war between Russia and Ukraine and the weakening economy of our major trading partner, China.

As precautionary measures, the Group will remain prudent and continue to chart out various strategies in managing and diversifying the businesses during 2022. Focus on efforts to increase revenue and market presence, increase productivity and efficiency, and steadfastly maintaining cost control, are key drivers to counter any further negative impact that may arise in the coming years. We will continue our efforts to prepare and realign the Group for the challenges ahead, and I believe, with the strong foundation that we have laid over the years, and under the capable leadership of our management, the Group will navigate and weather the challenges in 2022.

#### **APPRECIATION**

On behalf of the Board, I would like to extend my sincere appreciation to our loyal shareholders, valued customers, suppliers, financiers, business partners and the relevant authorities whom we have been dealing with over the years for their unwavering support to the Group. I would also like to take this opportunity to welcome Ms. Chin Yen Song to the Board of Warisan TC Holdings Berhad.

Last but not least, my heartfelt thanks go to all employees and my fellow Board members for their dedication and contributions throughout the years.

Thank you.

Dato' Tan Heng Chew JP, DJMK President

#### 2021 HIGHLIGHTS OF EVENTS

The following are the events that the Group rolled out during the year 2021:

#### August 2021

In August 2021, MUV Marketplace Sdn Bhd entered into a strategic partnership with Mudah.my to introduce the Mudah Vehicle Inspection & Protection programme ("MVIP"), which aims to give used car buyers assurance and peace of mind of their vehicle purchase by removing any uncertainty and doubt based on three assurances. The first assurance is by verifying the car registration and ownership details, the second by verifying the true condition of the car via a comprehensive inspection process and thirdly to offer the opportunity for buyers to purchase an extended warranty to protect against future repair costs



#### October 2021

Subsequent to signing of the Vehicle Technology Licensing Contract between Angka-Tan Motor Sdn Bhd ("ATM") and Jiangling Motors Corporation Ltd ("JMC") in 2020, ATM, on 13 October 2021, officially launched the JMC Vigus Pro, a new pick-up truck in Malaysia.



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#### November 2021

On 30 November 2021, WTC Automotif (M) Sdn Bhd ("WTCA") entered into an Exclusive Agreement of Distribution and Service with GAC Motor International Limited, whereby WTCA is appointed as sole and exclusive distributor to import, assemble, distribute and perform after-sale services for GAC vehicles and/or spare parts and accessories for vehicles in Malaysia.

#### December 2021

In line with prevailing practices embracing Environment, Social and Governance ("ESG") perspectives in businesses, Gocar Mobility Sdn Bhd ("GoCar") has on 2 December 2021, launched the GoEV programme to put more electric vehicles in the hands of everyday Malaysians. For a start, GoEV programme is currently available within the Klang Valley with a fleet of 25 units of the latest generation fully electric Nissan Leaf for sharing and subscription.



WTC Automotif (M) Sdn Bhd simultaneously launched its latest showroom and at the same time launched the all new GAC GS3 model on 28 December 2021.



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#### **OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS**

Warisan TC Holdings Berhad was incorporated in Malaysia on 26 March 1997 with the main activities grouped under 4 main divisions as follows:

#### Travel & Car Rental

- Inbound & outbound tour
- Corporate travel
- Airline ticketing
- One-stop online travelling solution
- Car & coach rental
- Chauffeur service
- On demand car sharing platform via GoCar mobile application

#### Machinery

- Material handling equipment, forklift, factory scrubber and sweeper
- Construction equipment (road, earthwork, quarry and mining)
- Off-road dump truck
- Agricultural tractor, golf & turf equipment
- Engine & generator
- Air compressor

#### Automotive

- Light commercial truck
- Heavy commercial truck
- Pick-up truck
- Used vehicle auction and trading
- Passenger car

#### Others

- Property investment
- Assembly of passenger vehicle
- Consumers Product as in Cosmetics & Lingerie

The Group's objectives are to deliver consistent growth to our shareholders and stakeholders by adopting an active pursuit of new innovative business ideas and at the same time striving for excellence in its core businesses, ensuring unmatched products and service quality to our valued customers.

The Group's abilities to identify, source for and market quality products at competitive pricing, coupled with improving customer satisfaction through our well-trained staff and customer service are among the keys to achieving Group's objectives.

#### **OVERVIEW**

COVID-19 has been most disruptive to our lives, as the nation entered into the second year of pandemic, which weighed heavily on the economy. Gratefully, with the markedly high vaccination rate, coupled with the accommodative and robust fiscal support by the Government; these have helped to contain unemployment, keep businesses afloat and gradually propelling the economy to the recovery path. The Malaysian Government eased the virus containment measures and gradually re-opened the economic and social sectors in the final quarter of 2021.

Malaysia's economy grew by 3.6% year on year in Quarter 4 of 2021, rebounding sharply from a contraction of 4.5% in the preceding quarter. For the whole year of 2021, the economy chalked an advancement of 3.1%, recovering from a fall of 5.6% in 2020 while staying below its pre-pandemic level in 2019 (Source: Economic Outlook 2022 by Ministry of Finance).

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#### **GROUP FINANCIALS**



The Group recorded an increase of approximately 23% in revenue from RM295.3 million in last year to RM361.9 million, with Machinery and Automotive divisions staging a notable increase in revenue. Accordingly, the Group posted lower loss before tax of RM27.5 million against RM58.9 million loss in 2020, underpinned by the improved performance of the various divisions, particularly the Machinery division and the ongoing austerity drive undertaken by the Group since the outbreak of the pandemic.

The financial position of the Group remained healthy with shareholders' funds at RM242.2 million (2020: RM274.5 million) and cash and bank balances of RM47.6 million (2020: RM48.6 million). Nonetheless, the Group saw its net gearing ratio increased from 0.36 times of shareholders' funds as at 31 December 2020 to 0.51; attributable mainly to the increase in utilisation of short term financing as working capital for a new project. This project is in relation to the collaboration with Jiangling Motors Corporation Ltd, which covers assembly and distribution of the JMC pick-up truck. The light commercial vehicle was officially launched in October 2021.

Meanwhile, the net cash generated from operating activities of the Group dropped from RM97.4 million a year ago to RM7.4 million; partly impacted by lower proceeds from disposal of assets held for rental as mentioned in the commentary below. In addition, funds generated from the operating activities were utilised to purchase inventories in preparation for the new project mentioned above, apart from settling some due payables.

#### **SEGMENT RESULTS AND ANALYSIS**

#### **Travel & Car Rental**

With most of the international borders remaining closed, in one form or another as a consequence of resurgence in COVID-19 cases, the border closure continued to weigh on the performance of the Division.

For the financial year ended 31 December 2021, the Division recorded decline in its revenue from RM64.1 million in 2020 to RM52.2 million. However, as a result of the various cost rationalisation efforts initiated since early 2020, the Division managed to improve its segmental results with profit of RM11.4 million as opposed to loss of RM4.8 million in 2020.

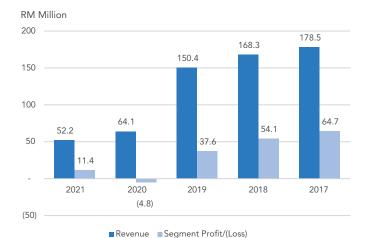


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#### TRAVEL AND CAR RENTAL DIVISION



This Division operates 2 major strategic business units under the Mayflower brand, namely the Travel subdivision ("Mayflower Travel") and Car Rental subdivision ("Mayflower Car Rental").

Mayflower Travel provides a range of travel and tours services, which include inbound, outbound, corporate incentive tours, medical tourism, education tourism and air ticketing services with offices in Malaysia, Cambodia and Thailand. In line with the market demand and its efforts to enhance efficiencies, Mayflower Travel continued with its technology adoption by providing customers the option to perform online transactions from its Mayflower Online platform.

Mayflower Car Rental provides car leasing and rental, coach and chauffeur services in Malaysia and Myanmar. Since the pandemic in early 2020, Mayflower Car Rental has refocused its core strategy on corporate leasing. In line with this objective, Mayflower Car Rental continues to right-size its fleet size, leaving a fleet size of approximately 1,700 units. The revised business strategies were effective; turning around the loss-making company in Malaysia into a profitable one; making a marginal profit for the financial year under review.

The outlook in Myanmar was chaotic in 2021; aggravated by the political unrest. In spite of this, the car rental business in Myanmar, vide MAT Transportation Solution (Myanmar) Company Limited ("MATTS"), was not affected adversely as the Company focused on corporate leasing. MATTS managed to generate marginal profit before tax of about RM256,000, dipping from profit before tax of RM507,000 recorded in the prior year.

The weak economic activities amid stringent containment measures through much of last year affected GoCar Mobility Sdn Bhd ("GoCar") car sharing business. GoCar is Mayflower Car Rental Sdn Bhd's 99.64% owned subsidiary and is the pioneer in revolutionising the car-sharing platform. To ensure sustainability, GoCar constantly reviews its business model since the pandemic, resizing its fleet of cars to optimise utilisation rate as well as improving operational efficiency. Its efforts bore fruit and GoCar successfully reduced its loss before tax by more than 60% compared to last year.

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#### **Automotive**

Angka-Tan Motor Sdn. Bhd. ("ATM") is mainly involved in the distribution of Foton Chinese vehicles under the brand name Foton with Auman (for heavy commercial vehicles), and Aumark S (for light commercial vehicles). In late 2021, ATM introduced a new 4x4 pick-up truck known as JMC Vigus Pro under the collaboration with Jiangling Motors Corporation Ltd. MUV Marketplace Sdn Bhd ("MUVM"), another company under the Division, provides online vehicle auction services in addition to trading of second hand and pre-owned vehicles.

Although the Division recorded higher segment revenue of RM130.5 million, up from RM72.0 million recorded in previous year, its segment loss increased from RM4.9 million to RM7.3 million, as a result of the nationwide total lockdown from June to August 2021. The increase in revenue was mainly driven by changes in the recognition of sales by MUVM, where MUVM began recognising the sale of vehicle by the seller as purchase and subsequently, upon transferring the vehicle to the ultimate buyer, the transaction would be taken up as sale, instead of only recognising the seller's and buyer's premium as in the past.

The performance of the Automotive Division did not see improvement despite various efforts deployed, including the launching and unveiling of new vehicles and models. The prolonged nationwide movement controls dampened the operations of both ATM and MUVM.

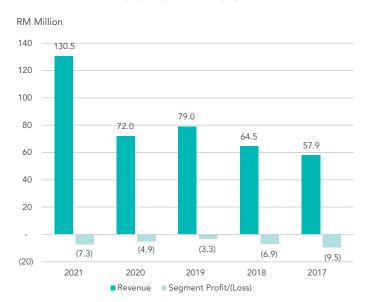
The gradual re-opening of the economic and social sectors, since late 2021, are expected to have spill-over effects moving forward. This Division sees recovery in its performance with projected increase in demand for commercial and passenger vehicles; bolstered by the resumption of Government projects with high multiplier effects, and improvement in the labour market.

In another strategic move to increase its diversification, this Division, vide WTC Automotif (M) Sdn Bhd ("WTCA"), entered into a contractual arrangement with GAC Motor International Limited, where WTCA was appointed as the sole and exclusive distributor to import, assemble, distribute and perform aftersale services for GAC vehicles and/or spare parts and accessories for vehicles in Malaysia. The GAC GS3 vehicle was officially launched in December 2021.





#### **AUTOMOTIVE DIVISION**



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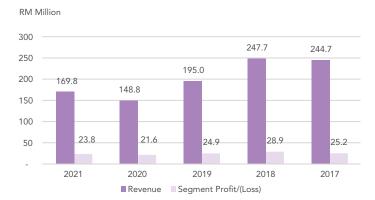


#### **Machinery**

This Division distributes a wide range of equipment and machinery, including but not limited to, Sumitomo excavators, SDLG wheel loaders, Sakai compactors, Gehl backhoe loaders, John Deere tractors, golf and turf equipment, Tonly off-road trucks, Unicarriers forklifts and Dulevo sweepers. Headquartered in Shah Alam, it has branches in major cities and towns throughout Malaysia, namely Butterworth, Ipoh, Seremban, Melaka, Kluang, Johor Bahru, Kuantan, Kota Bharu, Kuching, Miri, Bintulu, Lahad Datu, Sibu, Kota Kinabalu and Sandakan.

Gradual recovery in most economic sectors, despite the various phases of lockdown throughout the year, has helped to sustain the Division's business activities during the pandemic. Accordingly, the Division posted an increase in revenue to RM169.8 million; up from RM148.8 million, a year ago. In line with the increase in revenue, the segment profit of the Division inched up marginally to RM23.8 million in the current year from RM 21.6 million in 2020.

#### **MACHINERY DIVISION**



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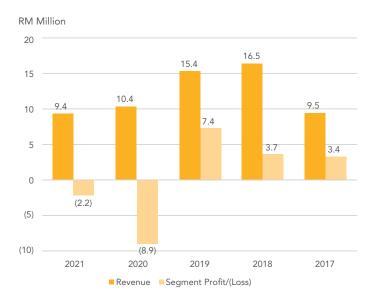


**Others** 

Other business includes captive insurance services, consumer products, assembly of motor vehicles and property investments.

For the financial year ended 31 December 2021, the joint venture companies, namely Wacoal Malaysia Sdn Bhd ("Wacoal Malaysia") and Shiseido Malaysia Sdn Bhd ("Shiseido Malaysia") registered lower loss after tax of RM3.7 million, compared to RM6.5 million in the preceding year. The e-commerce platform which the joint venture companies have been leveraging on, coupled with the relaxation of the movement curbs in the final quarter of 2021, have somewhat revitalised the retail business and improved the performance of Wacoal Malaysia and Shiseido Malaysia.

#### **OTHERS**



cont'd

#### **OUTLOOK AND PROSPECTS**

The economic recovery in Quarter 4, 2021 reflected the relaxation of containment measures as Malaysia made further progress towards economic normalisation after two years into COVID-19 pandemic. In 2022, economic growth is expected to further recover, largely because of fading impact of pandemic-induced disruptions to domestic activity; as the population moves towards higher vaccination rate. The economy is expected to further benefit from, and be bolstered by, the robust fiscal policy and Budget 2022 as well as higher commodity prices.

The Ministry of Finance has projected the Malaysian economy to grow between 5.5% and 6.5% in 2022; propelled by the gradual recovery in the global economy, normalisation in the economic and social activities, resumption of mega projects and support from the trade and manufacturing activities. Nevertheless, the concerns over possible emergence of new strains of vaccine-resistant COVID-19 variants cannot be ruled out. Moreover, the risk of economic slowdown in China, a major trading partner of Malaysia, and the ongoing Russo-Ukraine war could derail pace of economic recovery in our country.

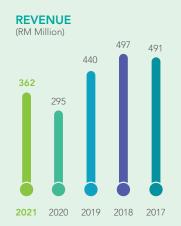
The Group recognises the risks associated with the challenges mentioned above and, in preparation for any eventualities, the Group remains vigilant in its operation by focusing on its strategies to enhance operational efficiency, contain costs, preserve profitability and safeguard our balance sheet strength and cash flow to tide over this difficult time, with the aim of emerging stronger and prepared as the economy fully recovers.

#### **DIVIDEND POLICY**

The Group does not intend to establish a fixed dividend policy due to the Group's nature of relying on identifying and nurturing new business prospects to supplement our existing business. Hence, the quantum of our dividend pay-out, if any, will be determined by the cash flow requirements and business expansion plan on a yearly basis.

Going forward, the global economic recovery looks positive but not vibrant. There remain the various challenges due to the global political tension and uncertainties over the containment of the COVID-19. Much will depend on the speed of re-opening of borders between countries and consequently trade resumption. In order to remain sustainable amid the uncertainties, the Board has not recommended any dividend for the financial year ended 31 December 2021 (2020: nil).

## **FINANCIAL CHARTS**









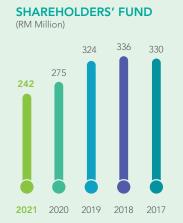
2018

2017

**TOTAL ASSETS** 

**2021** 2020 2019

(RM Million)





**NET ASSETS PER SHARE** 





## **5-YEAR FINANCIAL HIGHLIGHTS**

|  | 2021     | 2020     | 2019    | 2018    | 2017    |
|--|----------|----------|---------|---------|---------|
|  | RM'000   | RM'000   | RM'000  | RM'000  | RM'000  |
| RESULTS  |          |          |         |         |         |
| Revenue  | 361,965  | 295,278  | 439,829 | 496,950 | 490,622 |
| (Loss)/Profit before tax                           | (27,471) | (58,876) | (4,291) | 9,584   | 8,382   |
| Taxation   | (6,232)  | (6,681)  | (3,112) | (2,554) | (4,001) |
| (Loss)/Profit after tax                            | (33,703) | (65,557) | (7,403) | 7,030   | 4,381   |
| Attributable to:                                   |          |          |         |         |         |
| Shareholders of the Company                        | (32,445) | (63,781) | (6,789) | 7,488   | 4,742   |
| Non-controlling interests                          | (1,258)  | (1,776)  | (614)   | (458)   | (361)   |
| FINANCIAL POSITION                                 |          |          |         |         |         |
| Assets   |          |          |         |         |         |
| Property, plant and equipment                      | 194,196  | 227,122  | 256,653 | 277,422 | 304,188 |
| Right-of-use assets                                | 24,210   | 25,480   | 20,871  | _       | _       |
| Investment property                                | 43,500   | 43,500   | 45,400  | 45,400  | 45,400  |
| Investment in an associate                         | 497      | 815      | 1,299   | 1,069   | 979     |
| Investments accounted for using the equity method  | 30,760   | 35,078   | 42,129  | 37,348  | 35,993  |
| Other investments                                  | 186      | 6        | 6       | 6       | 10      |
| Finance lease receivables                          | 2,669    | 2,923    | 2,494   | 4,343   | 1,728   |
| Deferred tax assets                                | 6,098    | 6,195    | 3,535   | 2,575   | 2,664   |
| Intangible assets                                  | 10,715   | 12,232   | 12,577  | 12,520  | 12,374  |
| Other receivables                                  | -        | -        | -       | -       | 698     |
| Total non-current assets                           | 312,831  | 353,351  | 384,964 | 380,683 | 404,034 |
| Currents assets                                    | 350,315  | 331,886  | 421,132 | 423,349 | 387,377 |
| Total Assets                                       | 663,146  | 685,237  | 806,096 | 804,032 | 791,411 |
| Equity   |          |          |         |         |         |
| Share capital                                      | 67,200   | 67,200   | 67,200  | 67,200  | 67,200  |
| Share premium                                      | -        | -        | -       | -       | -       |
| Reserves   | 179,196  | 211,537  | 261,022 | 272,642 | 266,639 |
| Treasury share                                     | (4,213)  | (4,213)  | (4,213) | (4,213) | (4,213) |
| Total equity attributable to owners of the Company | 242,183  | 274,524  | 324,009 | 335,629 | 329,626 |
| Non-controlling interests                          | 23,093   | 24,379   | 11,155  | 11,269  | (1,380) |
| Total equity                                       | 265,276  | 298,903  | 335,164 | 346,898 | 328,246 |
| Non-current liabilities                            | 33,786   | 36,913   | 37,024  | 33,928  | 71,620  |
| Current liabilities                                | 364,084  | 349,421  | 433,908 | 423,206 | 391,545 |
| Total Equity and Liabilities                       | 663,146  | 685,237  | 806,096 | 804,032 | 791,411 |
| FINANCIAL STATISTICS                               |          |          |         |         |         |
| Basic (loss)/earnings per share (sen)              | -49.84   | -97.97   | -10.43  | 11.50   | 7.28    |
| Dividend per share (net of tax)(sen)               |          | -        | -       | 4.0     | 4.0     |
| Net assets per share (sen)                         | 372      | 422      | 498     | 516     | 506     |
| Return on shareholders' equity (%)                 | -13.9%   | -23.9%   | -2.3%   | 2.1%    | 1.3%    |
| Net debt/Equity (%)                                | 51.4%    | 36.3%    | 50.9%   | 58.7%   | 60.7%   |



## DATO' TAN HENG CHEW, JP, DJMK President

Dato' Tan Heng Chew, aged 75, a Malaysian, male, was the first director of the Company when it was incorporated on 26 March 1997. He was appointed as the Chairman of the Board on 1 November 1999 and was re-designated as Executive Chairman on 1 January 2011. His corporate title was changed to President on 1 January 2015.

Dato' Tan graduated from the University of New South Wales, Australia with a Bachelor of Engineering (Honours) degree and a Masters degree in Engineering from the University of Newcastle, Australia. He joined the Tan Chong Motor Holdings Berhad Group of Companies in 1970 and was instrumental in the establishment of its Autoparts Division in the 1970s and early 1980s.

Dato' Tan is also the President of Tan Chong Motor Holdings Berhad and APM Automotive Holdings Berhad.

He is also a major shareholder of the Company. He is the brother of Mr. Tan Eng Soon and is also a director and shareholder of Tan Chong Consolidated Sdn Bhd. Mr. Tan Eng Soon and Tan Chong Consolidated Sdn Bhd are major shareholders of the Company. Dato' Tan has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Dato' Tan attended all the seven (7) Board Meetings held in 2021.



#### TAN KENG MENG

Chief Executive Officer

Mr. Tan Keng Meng, aged 63, a Malaysian, male, was appointed to the Board as Executive Director on 11 January 2012. His corporate title was changed to Executive Vice President on 1 January 2015. Mr. Tan was subsequently re-designated as Chief Executive Officer on 1 October 2015.

Mr. Tan graduated from the University of Malaya with a Bachelor of Engineering degree in 1982. Mr Tan joined TCIM Sdn Bhd ("TCIM"), a wholly-owned subsidiary of the Company on 15 April 2010 and was subsequently appointed as Executive Director of TCIM taking charge of industrial machinery business. He also heads the Automotive Division of the Group since October 2015.

Mr. Tan also sits on the Boards of several subsidiaries of Tan Chong Motor Holdings Berhad, such as Edaran Tan Chong Motor Sdn Bhd, Tan Chong Motor Assemblies Sdn Bhd, Tan Chong & Sons Motor Company Sdn Bhd and Tan Chong Industrial Equipment Sdn Bhd. He has held senior management positions for many years with extensive Malaysian and international experience. Prior to joining the Group, he was the Group CEO/Director of Tasek Corporation Berhad, a public company listed on Bursa Malaysia Securities Berhad. He was previously Managing Director-Asia with Friction Material Pacific Group, a joint-venture company between Honeywell and Pacifica of Australia. Mr. Tan has extensive experience in a number of industries covering construction, automotive and automotive component manufacturing.

He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Tan attended all the seven (7) Board Meetings held in 2021.



## CHIN YEN SONG

Executive Director

Ms. Chin Yen Song, aged 48, a Malaysian, female, was appointed to the Board on 25 November 2021 as an Executive Director. She joined the Warisan Group as Finance Manager in 2003 and was promoted to Deputy General Manager and General Manager in January 2011 and July 2015 respectively. She was tasked to oversee the corporate travel business of Mayflower Corporate Travel Services Sdn Bhd and taking charge of the business development and retention, and to drive customer service excellence. Currently, Ms. Chin is the Chief Executive Officer of Mayflower Group, taking charge of the entire travel and car rental business operation (locally and overseas).

Ms. Chin is a Chartered Accountant, a Fellow Member of Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Accountants.

Prior to joining Warisan Group, Ms. Chin worked in Singapore for more than 11 years in telecom and manufacturing companies as Accountant.

Ms. Chin attended one (1) out of the seven (7) Board Meetings held in 2021 subsequent to her appointment to the Board on 25 November 2021.

## DATUK ABDULLAH BIN ABDUL

WAHAB, KMN, DPSJ, PJN

Senior Independent Non-Executive Director

Datuk Abdullah bin Abdul Wahab, aged 71, a Malaysian, male, was appointed to the Board on 3 March 2008 as an Independent Non-Executive Director and was redesignated as Senior Independent Non-Executive Director on 23 January 2013. He is the Chairman of Nominating and Remuneration Committee and a member of the Audit Committee.

Datuk Abdullah graduated from the Universiti Sains Malaysia (USM) with a Bachelor of Social Science (Honours) degree in 1976. He was an Administrative Officer at the School of Pharmacy, USM Penang from 1976 to 1980. He started his career at The Parliament of Malaysia as Assistant Secretary in 1980 and subsequently assumed all aspects of administrative functions at The Parliament. In 1999, he was appointed as Secretary to the Senate, and in 2004, he was elevated as Secretary to The Parliament and Secretary to the Dewan Rakyat. He retired from the civil service in 2006.

Datuk Abdullah attended all the seven (7) Board Meetings held in 2021.

cont'd



#### **SOH ENG HOOL**

Independent Non-Executive Director

Ms. Soh Eng Hooi, aged 52, a Malaysian, female, was appointed to the Board on 31 December 2020. She is an Independent Non-Executive Director and a member of the Audit Committee and a member of Nominating and Remuneration Committee. She was subsequently redesignated as the Chairman of Audit Committee on 14 January 2021.

Ms. Soh graduated from University of Malaya with a Bachelor of Accounting (Honours) in 1994. She is a member of the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants ("MICPA"). She started her career with Arthur Andersen & Co. Kuala Lumpur and was a partner in Baker Tilly Kuala Lumpur, an independent member firm of Baker Tilly International, before she founded E H Soh & Partners, an accounting firm, in 2015.

She is also an Independent Non-Executive Director of Integrated Logistics Berhad (ILB) and serves as the Chairman of Audit & Risk Management Committee, and a member of the Nomination and Remuneration Committee of ILB. She is the Chairwoman of Audit Committee and Remuneration Committee, and a member of the Nominating Committee and Risk Management Committee of MN Holdings Berhad.

As a qualified accountant by profession, she carries with her more than 25 years of experience in providing assurance, corporate and financial advisory services to public and private companies. She is also a regular trainer/speaker for trainings and seminars organized by professional firms and accounting bodies such as MIA and MICPA.

Ms. Soh attended all the seven (7) Board Meetings held in 2021.



#### **LEE MIN ON**

Independent Non-Executive Director

Mr. Lee Min On, aged 62, a Malaysian, male, was appointed to the Board on 29 November 2016. He is an Independent Non-Executive Director and a member of the Audit Committee and Nominating and Remuneration Committee.

Mr. Lee is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA"), a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants and a Chartered Fellow Member of The Institute of Internal Auditors, Malaysia.

He started his career with KPMG Malaysia in 1979 and retired as a Partner of the Firm on 31 December 2015. During his tenure with KPMG, he served in the external audit division before moving to helm the Firm's risk consulting practice, providing, inter-alia, board advisory services that encompassed corporate governance assessment, enterprise risk management and risk-based internal audit for both public listed as well as private corporations.

Mr. Lee co-wrote the "Corporate Governance Guide: Towards Boardroom Excellence" 1st and 2nd Editions which were published by Bursa Malaysia Securities Berhad. He also sat on the Task Force which was responsible for developing the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers", a document issued by Bursa Malaysia Securities Berhad in 2012. As a strong advocate of good governance and integrity in the market place, Mr. Lee speaks regularly at public seminars and conferences, including in-house sessions, sharing his thoughts and insights, particularly on Sustainability, Governance, Risk and Compliance.

Mr. Lee also serves as an Independent Non-Executive Director of Tan Chong Motor Holdings Berhad, APM Automotive Holdings Berhad, Kotra Industries Berhad and Lii Hen Industries Bhd. He is also a member of Audit and Risk Management Committee of MIA.

He has abstained from deliberation and voting in respect of transactions between the Group and related parties involving himself.

Mr. Lee attended all the seven (7) Board Meetings held in 2021.

cont'd



#### **CHIN TEN HOY**

Non-Independent Non-Executive Director

Mr. Chin Ten Hoy, aged 65, a Malaysian, male, was appointed to the Board on 29 November 2016 as an Executive Director. His corporate title was changed to Executive Vice-President effective 1 January 2019. He was then re-designated to Non-Independent Non-Executive Director on 14 January 2021.

Mr. Chin holds a MBA in Tourism & Hospitality Management from the Tourism Institute of Australia/ Asia e-University and has more than 28 years of experience in the travel and hospitality industry; general management of properties development & acquisition and financial & audit management.

He was the Chief Executive Officer of Mayflower Car Rental and Travel Division taking charge of the entire travel and car rental business operation both locally and oversea. In 2001, Mr Chin joined Mayflower Corporate Travel Services Sdn Bhd ("MCTS") (formerly known as Mayflower American Express Travel Services Sdn Bhd) as General Manager overseeing its corporate travel business in Malaysia. Prior to joining MCTS, he served as a Senior General Manager for Mansfield Travel Sdn Bhd, a company under The KAB Group Berhad ("KAB") Group, where he was responsible for the financial and general management of corporate travel and car rental operations. Mr. Chin began his career in 1988 with KAB as Internal Auditor and had served in KAB for 13 years holding senior positions in the areas of travel, properties development and management.

Mr. Chin attended all the seven (7) Board Meetings held in 2021.

Save as disclosed above, none of the other Directors has:

- (i) any family relationship with any Director and/or major shareholder of the Company; and
- (ii) any conflict of interest in the Company.

The above Directors have not been convicted of any offence within the past five (5) years other than traffic offence, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Key Senior Management of Warisan TC Holdings Berhad ("Warisan") Group comprises Dato' Tan Heng Chew – President, Mr. Tan Keng Meng – Chief Executive Officer and Ms. Chin Yen Song – Executive Director, whose profiles are included in the Profile of Directors on pages 18 to 19 in the Annual Report 2021, and the following senior management personnel:

#### **LEE KOON SENG**

Chief Financial Officer

Mr. Lee Koon Seng, aged 54, a Malaysian, male, joined Warisan Group on 2 December 2020 and was subsequently appointed as Chief Financial Officer of Warisan on 31 December 2020.

Mr. Lee is a member of The Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Mr. Lee began his career with Arthur Andersen/Hanafiah Raslan and Mohamad for more than 6 years. From 1993 to 2008, he held various finance and accounting positions in companies involved mainly in construction and property development activities, which include, amongst others, Olympia Land Berhad, M K Land Holdings Berhad, Nam Fatt Corporation Berhad and Mah Sing Group Berhad.

Prior to his appointment as Chief Financial Officer of Warisan, Mr. Lee was the Chief Financial Officer of Kumpulan Jetson Berhad ("KJB") since 2008 and was responsible in overseeing the accounting, financial management and the risk management functions of the Group and also involved in the corporate finance and planning of the Group.

#### **NICHOLAS TAN CHYE SENG**

Director, MUV Marketplace/ GoCar

Mr. Nicholas Tan Chye Seng, aged 48, a Malaysian, male, a Director of MUV Marketplace Sdn Bhd ("MUV Marketplace"). Mr. Nicholas Tan is the founder of "muv", a pioneer of an Offline2Online marketplace for used vehicles with gross merchandise value of over a billion Ringgit Malaysia in transactions recorded since 2015. He also led the investment in "GoCar" Malaysia's first car sharing platform when Mayflower Car Rental Sdn Bhd, a subsidiary of Warisan acquired a controlling stake in 2016.

Mr. Nicholas Tan graduated from Boston University School of Management, USA with a Bachelor of Science Degree.

Mr. Nicholas Tan joined Tan Chong Motor Holdings Berhad ("TCMH") in 2008 and headed the Corporate Planning and Strategic Investment Division. Today, he is the Executive Vice President of Financial Services and developed the supporting eco-system for car financing, car sharing, leasing, rentals and insurance products verticals.

He is also a Non-Independent Non-Executive Director of APM Automotive Holdings Berhad, a listed company on the Main Market of Bursa Malaysia Securities Berhad. He was on the founding board of Grab Inc. (a Singapore based technology company that offers ride-hailing, ride sharing, food delivery service and logistics services through its App in South East Asia) until end of 2017. He was formerly an Executive Director and Vice President of equities research in global investment banks for 10 years in Kuala Lumpur, Singapore and Hong Kong prior to joining TCMH.

He is the son of Dato' Tan Heng Chew, who is a Director and major shareholder of Warisan.

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#### **TUNG SWEE HAR**

Deputy General Manager, Travel & Tours Division

Ms. Tung Swee Har, aged 63, a Malaysian, female, joined the Warisan Group in 2009 as a Senior Manager-Travel & Tours division to develop the Wholesale Department. She is now the Business Head of Travel & Tours Division, responsible to lead, manage and develop the overall performance of the business. She is also overseeing the travel business operations in Sabah and Taiwan.

Ms. Tung holds a Diploma in Executive Secretaryship (Administrative Management) from the Stamford College. She was serving as a Committee Member of the Air Transportation Sub-Committee under the Malaysian Association of Tours & Travel Agents (MATTA) from 2016-2018.

She has more than 30 years of working experience in the travel industry covering business development, retailing, corporate incentive and wholesaling. She has represented Mayflower in various Conferences held overseas and gained valuable knowledge of the technology advancement in the industry.

#### ABDUL RAHMAN BIN MOHAMED

General Manager, Transportation Division

**Encik Abdul Rahman Bin Mohamed**, aged 54, a Malaysian, male, joined the Warisan Group in 2009 as Deputy General Manager, Channel Management. He was promoted to General Manager in 2015. In May 2020, he was seconded to Mayflower Car Rental Sdn Bhd as an Acting General Manager. Currently, he is responsible for managing the day-to-day operations of the Transportation Division of Mayflower Group.

Encik Abdul Rahman is a graduate from University Technology MARA (UiTM) with a Bachelor of Science (BSc) in Business Administration. He has more than 20 years of working experience in travels and tourism industry.

#### Ts. LOW TECK KEONG

Senior General Manager, Machinery Division

**Ts. Low Teck Keong**, aged 45, a Malaysian, male, joined the Warisan Group in April 2021 as Senior General Manager – Business Development in charge of Business Development and transformation, MarCom and Light Machinery Division. He was the General Manager from MHE-Demag Malaysia, taking charge of Demag Industrial Cranes & MHE Product Sales since 2015 in industrial and construction material handling engineering.

Ts. Low is a graduate from Universiti Sains Malaysia with a Bachelor of Technology Honour Degree in Quality Control & Instrumentation. He is also a Professional Technologist and Graduate Technologist of Malaysia Board of Technologists.

He has more than 20 years of working experience across various industrial segments covering from sales to technical support positions, system integration & IoT, project management, manufacturing automation, industrial IT & automation system as well as start-up and managing businesses as Country Head.

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#### NG KIAT SENG

Senior General Manager, Automotive Division

Mr. Ng Kiat Seng, aged 59, a Malaysian, male, joined the Warisan Group in April 2014 as Senior General Manager taking charge of sales and marketing function of automobile business.

Mr. Ng received his education at Kuala Lumpur and has more than 35 years of experience in automotive industry. Prior to joining Angka-Tan Motor Sdn Bhd, he was the Product Head of the Bus Division of Tan Chong Industrial Equipment Sdn Bhd, a subsidiary of Tan Chong Motor Holdings Berhad.

#### YAP KIAM BENG

General Manager, Machinery & Automotive Divisions

Mr. Yap Kiam Beng, aged 56, a Malaysian, male, joined the Warisan Group in 2013 as General Manager, Finance and Administration in charge of accounting and finance in the travel and car rental division. In May 2015, he was transferred to head the finance and administration of the machinery and equipment business. Currently, he also heads the spare part department of the machinery and equipment business as well as oversees the finance function of the Automotive Division.

Mr. Yap graduated with a Master in Business Administration, International Business from University of East London. He is also a Chartered Accountant of the Malaysian Institute of Accountant and a member of the Malaysian Institute of Certified Public Accountants.

Mr. Yap has more than 30 years of working experience covering audit, finance, manufacturing, education, construction, travel and industrial machinery and equipment.

#### LEE KING SOON

General Manager, Light Machinery Division

**Mr.** Lee King Soon, aged 58, a Malaysian, male, joined the Warisan Group in 1997 as Senior Manager-Finance in charge of accounting and finance. He was promoted to Deputy General Manager in 2008 and subsequently as General Manager in 2013. In May 2015, he was transferred to head the sales and marketing of light industrial machinery business.

Mr. Lee is a graduate from Kolej Tunku Abdul Rahman with an Advance Diploma in Financial Accounting. He is also a Chartered Accountant and a Fellow Member of the Association of Chartered Certified Accountants.

He has more than 30 years of working experience covering audit, accounting, finance, manufacturing, steel construction and light industrial machinery.

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#### **BEH KOK ANG**

Senior Manager, Heavy Machinery Division

Mr. Beh Kok Ang, aged 41, a Malaysian, male, joined Warisan Group in March 2012. He is currently taking charge of the sales and operation of Heavy Machinery business primarily for the imported earthmoving and road construction equipment.

Mr. Beh obtained his Bachelor of Mechanical Engineering Degree from University of Adelaide, Australia. Prior to joining Warisan Group, Mr. Beh was the Product Sales Manager for one of the leading high precision machinery tools manufacturers in Malaysia. He has more than 15 years of working experience covering industrial product development and operation management.

Save as disclosed above, none of the key senior management personnel has:

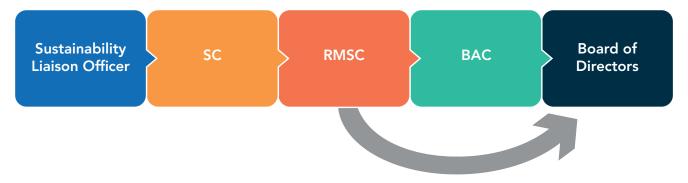
- (i) any directorship in public companies and listed companies;
- (ii) any family relationship with any Director and/or major shareholder of the Company;
- (iii) any conflict of interest with the Company;
- (iv) any conviction for offences within the past five (5) years other than traffic offences, if any; and
- (v) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

The Group is committed to maintain a balanced and practical approach in identifying and managing sustainability matters relevant to the Group's operations, focusing on environmental protection, economic growth and social development. Sustainability development is essential in our daily business in order to remain competitive and relevant across all business functions in their respective industries as well as to anticipate, and be prepared for, future business opportunities and needs

#### SUSTAINABILITY GOVERNANCE STRUCTURE

The Group aims to create sustainable value for all stakeholders by incorporating: (1) strategy and stewardship; (2) management and monitoring; and (3) accountability and assurance in its sustainability governance structure, which includes the establishment of a Sustainability Committee ("SC"), Risk Management and Sustainability Committee ("RMSC"), Board Audit Committee ("BAC") and Board of Directors ("Board"), with a Sustainability Liaison Officer who oversees the operationalisation of sustainability initiatives and imperatives across the Group, including the periodic reporting of sustainability status to those charged with governance. The SC is set up with the task to monitor the implementation of sustainability strategies and policies approved by the Board and oversee the process of stakeholder engagement as well as the steps of identifying risks and opportunities of the Group arising from the Economic, Environmental and Social ("EES") pillars. The SC is led by the Chief Executive Officer (CEO), with support from the Chief Financial Officer (CFO) and the Sustainability Liaison Officer, the latter of whom serves as the focal point to coordinate with the heads of business unit and the various support function for the implementation of the Group's Sustainability Framework. The RMSC oversees the management of significant business risks, including the material EES risks; as well as advising and recommending policies and strategies on sustainability to the Board for approval. The BAC oversees the financial reporting and performance management measured against business and sustainability risks and opportunities. Ultimately, the Board takes full ownership of the Sustainability Framework with the accountability of setting sustainability business strategies and targets to be integrated into the Group's business operations and serves as the leading force to drive its implementation.

The following diagram illustrates the sustainability governance structure of the Group:



#### STAKEHOLDER ENGAGEMENT

Stakeholder engagement forms an integral part in steering us towards our long-term sustainability goals. Our business units maintain an on-going and open line of communication with relevant stakeholders (i.e., customers, investors, suppliers, employees, regulatory and statutory bodies, local and overseas communities, higher learning institutions and welfare organisations) to forge a relationship of trust and cohesive environment to strengthen our viability and credibility. Additionally, the sustainability matters that are material to the Group are identified, assessed and prioritised through stakeholder involvement and engagement.

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The table below summarises the key stakeholders of the Group and pertinent forms of engagement with them:

| <b>©</b>   | Stakeholders  | Issues of Concern   | Forms of Engagement   |
|------------|---|---|---|
|            | Customers   | <ul><li>Product quality</li><li>Customer service and experience</li><li>Cost of ownership</li></ul>   | <ul> <li>Customer survey</li> <li>Customer service centre</li> <li>Visitation</li> <li>Feedback to principals/<br/>manufacturers on quality and product<br/>enhancement</li> </ul>  |
| 488        | Suppliers   | <ul><li>Product quality</li><li>Pricing and delivery schedule</li></ul>   | <ul><li>Supplier evaluation</li><li>Goods reject report</li></ul>   |
|            | Employees   | <ul> <li>Workplace safety and employee wellness</li> <li>Career development</li> <li>Remuneration &amp; benefits</li> <li>Learning opportunities</li> <li>Ethics and integrity</li> </ul>   | <ul> <li>Performance review</li> <li>Training</li> <li>Team building activities</li> <li>Young Executive Club</li> <li>Briefing to employees in raising awareness and ensuring compliance of the relevant laws and regulations</li> </ul> |
|            | Regulatory and<br>Government Bodies                               | <ul> <li>Introduction of new and/<br/>or changes of laws and<br/>regulations such as introduction<br/>of corporation liability under<br/>the Malaysian Anti-Corruption<br/>Commission Act 2009</li> <li>Labour practices</li> </ul> | Active engagement with respective regulatory bodies   |
| ② _ ②<br>( | Higher learning institutions, community and welfare organisations | <ul><li>Supply of manpower</li><li>Community welfare</li></ul>  | <ul> <li>Participation in career fairs</li> <li>Social contribution and community services</li> </ul>   |
|            | Shareholders  | <ul><li> Group financial performance</li><li> Business strategy</li><li> Corporate governance</li></ul>   | <ul> <li>Annual General Meeting</li> <li>Quarterly and statutory announcements to Bursa Malaysia Securities Berhad ("Bursa Securities")</li> <li>Corporate website</li> </ul>   |

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#### **MATERIAL ASSESSMENT**

The material assessment process was conducted internally by the RMSC on the sustainability matters identified and presented by the respective business units. A total of 10 material sustainability matters relating to the EES pillars were determined to be pertinent to the Group and to our stakeholders.



Our Sustainability Statement ("Statement") covers all the key business activities (Travel & Car Rental, Industrial Machinery & Equipment, Automotive and Consumer Products) of the companies in the Group located in Malaysia, Myanmar and Cambodia. The operations of the joint venture companies are excluded from this Statement.

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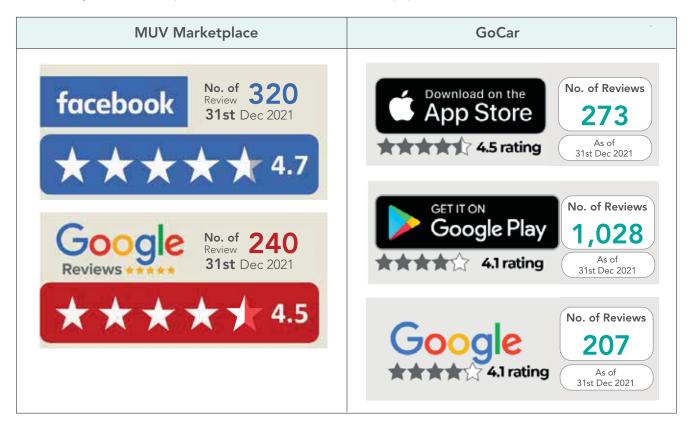
#### **ECONOMIC SUSTAINABILITY**

#### **Customer Satisfaction**

The Group values both the existing and potential new customers to sustain our businesses and uphold our brand's reputation in the fast evolving market, which can be prone to disruptions and borderless economic environment in today's digital era. We endeavour to retain our competitive advantage to remain as the preferred option to our customers, keeping them satisfied and impressed with our products offered and services rendered.

Customer engagement through multiple platforms allows us to gauge their feedback for further tweaking to the Group's strategies and to manage any complaints in a timely manner. Technical and service personnel are trained through a robust learning and development programme to equip them with the necessary skills and knowledge to provide the much needed customer service and experience.

The following are some examples of customer satisfaction reviews on popular social media:



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The following are some examples of initiatives undertaken by our subsidiaries to maintain commendable customer service levels:

- Quality assurance of products and services delivered in accordance with standard operating procedures (SOP), work instructions and industry best practices;
- Readiness of Customer Relationship Management ("CRM") systems and call centre support;
- Provision of nationwide after sales service centres with readily available parts;
- Mobile service team on stand-by '24/7',
- Progressive expansion of service dealers and sales network;
- Conducting weekly process audit on all assembly stations in the Automotive division;
- Provision of quality vehicle inspection and practising joint inspections with customers;
- Using Customer Satisfaction (CSAT) scoring system to track and improve responses by customer service agents at GoCar; and
- Reducing car downtime to ensure cars are constantly available for GoCar and Mayflower Car Rental customers.

#### **Productivity**

As challenging economic conditions persisted during the COVID-19 pandemic, the Group prioritised productivity as a vital component towards sustaining our long-term viability. Ever since the Malaysian Government lifted the Movement Control Order and allowed interstate travelling, the Group's businesses have been focused on how to ride on the economic recovery and to strengthen its revenue performance.

We have taken the approach to capitalise on effective business strategies by improving the efficiency in deploying our resources. Some initiatives and services were introduced by our subsidiaries to enable the Group to meet the high expectations of customers and sustain the growth of the business as follows:

- GoCar Garage pit stop service packages & other promotional offers; GoValet, GoWrap (moving billboard advertising), GoInsurance and GoEV;
- Mayflower Travel Group collaborated with Malaysia Airlines, Rakuten, SGI Vacation Club etc. to promote domestic tourism. Such promotions included Langkawi International Travel Bubble, International Covid-19 Quarantine Packages and Mayflower Student Portal as well as continuation of the seasonal sales campaigns and monthly hotel campaigns;
- Mayflower Travel Group also utilised Shopee platform to promote Mayflower Travel Warrant; kept their official Facebook page up-to-date with recommendations of travel destinations and travelling tips for holidaymakers; and provided on-going updates on both local and global travel policies;
- TCIM rationalised costs by negotiating with local suppliers and applied lean manufacturing methodologies in the workplace;
- TCIM ensured that the sales productivity improvement is achieved via actively managing best product mix, as well securing the necessary support from principals of industrial machinery in terms of pricing, marketing expenses and supply chain; and
- Resources were optimised through Group networking (after sales service, engineering support).

#### **Succession Planning**

We believe an effective succession planning programme is imperative in the identification and coaching of the younger generation of talents to helm leadership roles when their opportunities come, as well as to aid them advance in career development vertically or laterally within the Group. Having a succession planning in place helps to promote and advance not just the management or executive levels but employees at every levels. More importantly, succession planning, if properly implemented provides pertinent safeguards to our businesses by ensuring its operations are not unduly disrupted, especially upon senior management personnel retirement or departure from the Group for various reasons.

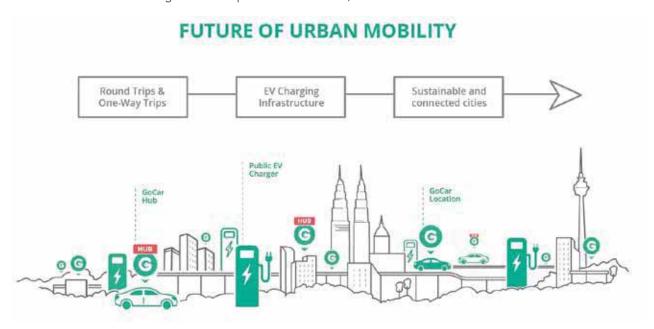
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#### **ENVIRONMENTAL SUSTAINABILITY**

#### Resources, Wastes & Energy

The Group is committed to implementing initiatives to reduce our carbon footprint from our operations, and its environmental impact on climate change. The following are the environmental sustainability initiatives and waste management practices implemented in our daily operations:

• Embracing the EV (Electric Vehicle) revolution to reduce carbon emissions to the environment. The GoEV service by GoCar introduced car sharing and subscription of electric cars;





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- Promoting environmentally friendly product alternatives such as trucks with green engines which are compliant to Euro 2 & 3 standards and battery powered forklifts;
- Engaging authorised service providers to ensure by-products and wastes are properly disposed of;
- Installation of grease, oil and silt traps at vehicle workshops to minimise the discharge of grease and oil into pipe drainage system or other water source such as lakes, rivers, etc.;
- Our online travel portals (mayflower.com.my) enable users to book and secure their travelling arrangements remotely from their homes or offices;
- Reducing paper printing by encouraging dissemination of e-copies, where possible, whilst processes such as payroll, leave applications and performance reviews have been digitised;
- Segregation of wastes in recycling bins;
- Using energy efficient LED tubes for illumination and the dated electrical appliances are replaced with appliances certified with good energy saving ratings (inverter technology) in stages; and
- Prohibiting open burning, especially in workshop compounds and open parking lots surrounded with trees and vegetation.

#### **SOCIAL SUSTAINABILITY**

#### **Employee Training, Education and Career Development**

As our employees are assets to the Group, the employee's career development and professional growth is imperative for the Group's sustainability and performance. The Group's HR Portal is the gateway to employee learning and development (uploaded with reading materials and e-learning) and staff performance management. Available courses are categorised as Personal Development, Mental Health, Leadership & Managerial, Information Technology, Marketing and Health & Lifestyle. Our in-house Learning Management System allows the Group's personnel to register for training programmes, run e-learning modules, including linkages to external content platforms, the tracking of employees' training hours, learning history and documenting the skills of employees. This system helps to improve employee learning and development planning to bridge skills gaps and track the progressive competency achievements in their respective roles and responsibilities.

The table below shows the training hours recorded in the last 2 years:



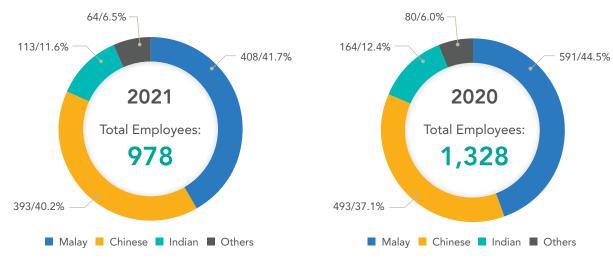


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#### **Diversity & Equal Opportunity**

We embrace diversity in our people as a source of strength for the Group. Therefore, we promote inclusiveness and equal opportunity at the workplace, regardless of ethnicity, gender, age or background. All employees are treated equally within the Group and are appraised and rewarded based solely on their merits. The headcount of the Group is reduced from 1,328 to 978 in 2021, which is a 26.4% reduction from the preceding year. Eventhough there is a reduction of headcount, the percentage of ethnicity and gender diversity for years 2020 and 2021 have remained almost the same.

#### 1. Ethnicity



#### 2. Gender



#### **Job Opportunities for Young Talents**

To upskill young talents, we provide job opportunities for fresh graduates on a continuous basis to join our workforce and industrial training for interns who are interested to work with our Group. In 2021, there was a total of 13 internship attachments in various subsidiaries of the Group.

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#### Accolades for Human Resources (HR) Development

At the Malaysia HR Awards event organised by the Malaysian Institute of Human Resource Management on 19 November 2021, MUVM won the Silver Award in the Small & Medium Enterprises ("SME") Best Employer Award category. This is an award that recognises a sustained commitment by SMEs to human talent development based on the criteria set for good practices in human resource management and conducive work environment; and supports continuous learning and development, reduction in dependency on foreign labour and high application of HR system and technology.





#### **Community Activities and Contributions**

The Young Executive Club is an on-going engagement programme with the younger generation to cultivate their talent and maximise their potential through organising various Corporate Social Responsibility ("CSR") activities and projects within the Group.

Being mindful of the less fortunate and marginalised, we continued to reach out to help the needy and encourage our employees to participate in charitable and community activities, including providing donations and essential food items.





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GoCar launched the GoVAX Shuttle Service as a CSR initiative to provide free transportation service to vaccination centres for the under-represented seniors and persons with disabilities. The initiative also involved engagement with the public to sign up volunteer drivers (also known as GoVax Heroes) as part of the movement in support of the nation's vaccination efforts.



GoCar also initiated a Flood Assist Programme (25% discount) to help ease the burden of flood victims who were affected by the flash flood in the Klang Valley in December 2021.





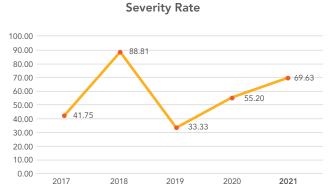
# **SUSTAINABILITY STATEMENT 2021**

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#### Workplace Safety and Health

Employee safety and health are paramount to us as a Group. Our employees are trained on workplace occupational hazards and safe practices at work so that each individual is capable of observing personal safety and the safety of others at all times.





Compared to year 2020, the Lost Time Injury Rate (LTIR) and Severity Rate (SR) in 2021 increased by 55% and 26% respectively as businesses resumed operation at full capacity after the Movement Control Order (MCO) was lifted by the Government. Overall, there were 9 cases of Lost Time Injury (LTI) with a total of 122 lost work-days resulting from workplace accident and zero fatality case in 2021. Investigations carried out by the Environment, Health & Safety (EHS) Committee revealed a majority of the reported accidents was related to human error, unsafe working conditions at external locations, drastic weather changes during outdoor work, and tasks subjected to mechanical hazards. Apart from the on-going workplace safety training, other measures taken to improve personal responsibility for safety and job safety included the circulation of safety alerts detailing the root causes and preventive actions of reported accidents/incidents to share lessons learnt and best practices to follow, the revision of Safe Work Instructions to improve the associated job safety and to increase safety protection, as well as regular safety briefing to remind staff all necessary safety precautions to be taken.

Fire drills are carried out periodically as practice for emergency preparedness in fire incidents. The response time and effective communication from the point of raising the alarm to all headcounts being accounted for at the assembly point, familiarisation with firefighting equipment locations and proper handling, as well as the identification of designated escape routes were key learning points during the fire drill. First aid kits are also checked periodically to ensure the contents are available and replaced as and when required.

In 2021, compliance to the COVID-19 SOP continued to be observed and any non-compliance thereof committed by an employee was subject to disciplinary action.

The following measures have been integrated as part of our workplace practices:

- Business continuity plans/guidelines, including when the situation is required to be escalated to crisis mode;
- All SOPs/return to work guidelines which are accessible on the HR portal;
- Regular communications on awareness, precautions to be taken and travelling guidelines via emails and internal notices:
- MySejahtera QR scan code display, hand sanitisers and contactless infrared thermometer available at entry points;
- Mitigating actions and precautions to reduce transmission internally to be taken by Group HR in the event an employee is tested positive;
- Physical distancing at workspaces; and
- Mandatory submission of daily self-declarations.

## SUSTAINABILITY STATEMENT 2021

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The following is a list of safety and health trainings conducted for employees in 2021:

- 1) Business Continuity in 3rd Wave of Covid-19 Outbreaks;
- 2) ATM Yearly Incident Summary Submission (JKKP 8);
- 3) Basic Occupational First Aid (SOFA);
- 4) Briefing Self Test Kit Roll Out;
- 5) Covid-19 Business Continuity Plan (BCP) COVID-19 Vaccination;
- 6) Enhancing Psychological Well-Being;
- 7) Financial & Health Webinar Series Diabetic Eye Disease: Too Sweet for the Eye Live; Research -Adoption to the New Norms;
- 8) Parts Safety Briefing;
- 9) Self-Test Kit Roll Out Briefing Updates Of Covid-19 Pandemic;
- 10) Webinar Reminder for How Gallstone Develop and Her Symptoms? What is the Treatment Available? Health Talk;
- 11) Webinar Vaccination in Pregnancy Is It Safe?;
- 12) Building Mental Toughness to Bounce Back from Adversity;
- 13) Burn Your Ignorance To Ashes, Ignite Your Attention To Flames!; and
- 14) Smoke Inhalation Training.

#### **Compliance with Laws and Regulations**

The Group is committed to comply with the relevant laws and regulations when conducting our business activities and operations locally and overseas.

#### Integrity

Integrity ranks high in our corporate agenda, and it is one of the key elements in the Group's 7 Core Values. We believe that integrity is key to sustaining an organisation in the long-term. The Group has zero tolerance on fraudulent and corrupt practices. Hence, we expect our employees, regardless of seniority level and Directors to cultivate and imbibe a culture of honesty, reliability, transparency and accountability in our engagement with our stakeholders.

The Group has put in place the following policies to strengthen our governance:

- Anti-Bribery and Anti-Corruption ("ABAC") Policy and Gratification, Entertainment, Hospitality (GEH) Form;
- Code of Business Conduct and Ethics for Employees;
- Fraud Prevention Policy; and
- Special Complaints Policy, which is our equivalent of a whistle-blowing mechanism.

Following implementation of the ABAC Policy back in 2020, various ABAC related activities have been conducted, including the incorporation of ABAC clauses into legal documentation, signing of integrity undertakings as well as training and communication to raise awareness of the relevant stakeholders on the ABAC Policy and relevant laws and regulations. All employees of the Group have completed the training on ABAC for year 2021. There was no reported case pertaining to bribery and corruption in our Group. There was also no complaint filed against any of our subsidiaries and/or personnel for corruption, malpractices or other wrongdoings via the Special Complaint Policy channel during the reporting period. All the active businesses of the Group have completed the corruption risk assessment for year 2021.

Taking cognisance of the importance of having in place a process to identify and monitor matters that are material to the continued viability and sustainability of the Group, the Board has reviewed the overall performance of the Group, beyond just financial results.

This is to enable remedial measures to be implemented by Management to steer the Group towards realising its sustainability goals and agenda on an ongoing basis.

The Board is mindful of the Malaysian Code on Corporate Governance 2021 Edition issued in April 2021, which include 5 new Practices that focus on the sustainability agenda. For financial year ending 31 December 2022, the Board will roll out measures to deliberate on the sustainability targets covering the pillars of Environment, Economic and Social (including Governance) in the strategies of the Group, including monitoring and reporting the actions and imperatives deployed by Management to bridge any sustainability performance gaps.

This Statement is dated 11 April 2022.

The Board of Directors ("Board") of Warisan TC Holdings Berhad ("Company" or "WTCH") recognises the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value. The Board believes having sound corporate governance practices will improve corporate transparency, accountability, performance and integrity.

As such, the Board embeds in the Group a culture that is aimed at delivering balance between conformance requirements with the need to deliver long-term strategic success through performance, without compromising on personal or corporate ethics and integrity.

This Statement provides an overview of the Company's application of the Principles set out in the Malaysian Code on Corporate Governance 2021 Edition ("MCCG") during the financial year under review and up to the date of this Statement. Details on how the Company has applied each of the Practices set out in the MCCG during the financial year 2021 are disclosed in the Corporate Governance Report, which is available for viewing on the Company's corporate website at <a href="https://www.warisantc.com.my">www.warisantc.com.my</a>.

#### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

#### I. BOARD RESPONSIBILITIES

The Board is collectively responsible for the long-term success of the Company and delivery of sustainable value to stakeholders of the Company. In discharging its fiduciary duties and leadership functions, the Board sets the strategic direction for the Company, and ensures effective leadership through oversight of Management and robust monitoring of the activities and performance in the Group.

Directors are tasked with managing and directing the business and affairs of the Company and they must exercise reasonable care, skill and diligence in decision making. Directors must also keep themselves abreast of relevant developments, including material sustainability risks and opportunities, to discharge their duties and responsibilities efficiently.

All members of the Board are aware of their responsibilities to take decisions objectively which promote the success of the Company for the benefits of shareholders and other stakeholders, besides safeguarding the interests of these stakeholders. The roles and responsibilities of the Board are clearly set out in the Board Charter, which is available on the Company's website at <a href="https://www.warisantc.com.my">www.warisantc.com.my</a>. This Board Charter is periodically reviewed by the Board to be in line with regulatory changes and to reflect recent changes made to the terms of reference of the Board and Board Committees. The Board Charter was last reviewed by the Board in November 2021.

In managing potential conflict of interest situations including potential conflict of interest between any Director and the Company and/or any of its subsidiary, the Board has formalised a Conflict of Interest Policy to be observed by the Directors of all companies in the Group. This is to ensure Directors of the Company and its subsidiaries act in the best interest of the companies they represent and they must not place themselves in a position where their duties and personal interest conflict, without such conflicts, if any, being duly declared and with them abstaining from any deliberation of the matters concerned.

The key roles and responsibilities of the Board broadly cover formulation of corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate internal systems to manage those risks; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure, including succession planning.

In discharging the Board's roles in Environment, Social and Governance ("ESG") oversight effectively, a Sustainability Framework has been drawn up and communicated to heads of all business unit on the importance of meeting the Group's sustainability strategies, priorities as well as setting of targets to meet this objective. Further information on the Group's sustainability activities can be found in the Sustainability Statement of the Annual Report.

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To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee and Nominating and Remuneration Committee ("NRC"), to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision-making, however, lies with the Board. The members of both Audit Committee and NRC are all Independent Non-Executive Directors.

In enhancing accountability, the Board has established clear functions reserved for itself and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, approval of annual budgets and audited financial statements, quarterly and annual financial statements for announcement, investment and divestiture, as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Charter.

The Executive Team (as defined in the Board Charter) comprising the President (leader), Chief Executive Officer, Chief Financial Officer and other Senior Management Personnel, is responsible to the Board in accordance with their respective roles, positions, functions and responsibilities which include, amongst others, the achievement of the Group's goals and observance of Management authorities delegated by the Board, developing business plans which are aligned to the Group's requirements for growth, profitability and return on capital to be achieved, ensuring cost effectiveness in business operations, overseeing development of human capital and ensuring members of the Board have the information necessary to discharge their fiduciary duties and other governance responsibilities.

As the leader of the Executive Team, the President, who is supported by the Chief Executive Officer, Chief Financial Officer and other Senior Management Personnel, oversees the overall management and strategic development of the Group. The Chief Executive Officer is responsible for managing and supervising the day-to-day business operations in accordance with the Group's strategies, policies and business plans approved by the Board.

The positions of the Chairman and the Chief Executive Officer are held by different individuals to ensure an appropriate balance of roles, responsibilities and accountability.

The President assumes the position of the Chairman of the Board. As Chairman, he is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The Chairman also ensures appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The Independent Non-Executive Directors, who comprise half the Board's size, are responsible for providing insights, unbiased and independent views, advice and judgement to the Board and also ensuring effective checks and balances on Board's decisions. Independent Non-Executive Directors are essential for protecting the interests of shareholders, in particular minority shareholders, and can make significant contributions to the Company's decision-making process by bringing in the quality of detached impartiality.

The Board also delegates its authorities to Management Committees, namely the Risk Management and Sustainability Committee and Executive Management Committee (both of which are Management-level committees), which comprise appropriate members of Management in order to ensure the operational efficiency and that specific matters are being handled effectively.

The Board has formalised a Directors' Code of Ethics, setting out the standards of conduct expected from all Directors. The Directors' Code of Ethics is contained in Appendix A of the Board Charter which is published on the Company's website at www.warisantc.com.my. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees, which has been communicated to all levels of employees in the Group. The Company also has in place a Special Complaint Policy, equivalent to a whistle-blowing policy that serves as an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. Taking heed of the "T.R.U.S.T." principles enshrined in the Guidelines on Adequate Procedures issued by the Minister in the Prime Minister's Department under Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, the Board has adopted an Anti-Bribery and Anti-Corruption Policy to manage bribery and corruption risks the Group is exposed to in its operations.

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Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified in accordance with the provisions of the Companies Act, 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries advise the Board on governance matters, ensuring there is an effective system of corporate governance in place.

In discharging their responsibilities effectively, the Directors allocate sufficient time to attend Board and Board Committee meetings to deliberate on matters under their purview. During the year, the Board deliberated on matters relating to business strategies and issues concerning the Group, including the business plan, annual Group budget, financial results and significant transactions. All Board and Board Committee members are provided with the requisite notice, agenda and board papers prior to the convening of each meeting of the Board and Board Committee, in a timely manner. The Company has leveraged on technology in conducting meetings of the Board and Board Committees online, which made it more convenient for meeting participation during the Covid-19 pandemic period to safeguard the well-being of the Directors. For the financial year under review, the Board convened seven (7) Board meetings and the attendances of the Directors are as follows:

| Name   | No. of Board<br>Meetings Attended | Percentage of<br>Attendance (%) |
|--|-----------------------------------|---------------------------------|
| Dato' Tan Heng Chew                            | 7/7                               | 100                             |
| Tan Keng Meng                                  | 7/7                               | 100                             |
| Chin Ten Hoy                                   | 7/7                               | 100                             |
| Datuk Abdullah bin Abdul Wahab                 | 7/7                               | 100                             |
| Lee Min On                                     | 7/7                               | 100                             |
| Soh Eng Hooi                                   | 7/7                               | 100                             |
| Chin Yen Song (Appointed on 25 November 2021)* | 1/1                               | 100                             |

Note: \* There was a Special Board Meeting held subsequent to appointment of Ms. Chin Yen Song to the Board in respect of the financial year 2021.

The Board is mindful of the importance for its members to undergo continuous education and training programmes to be apprised of the changes to regulatory requirements and the impact such regulatory requirements have on the Group. The Board through the NRC, evaluates the training needs of its Directors annually and ensure that they undertake relevant professional development and upskilling programmes. Besides circulating the relevant circulars and guidelines on statutory and regulatory requirements from time to time for the Board's reference, the Company Secretaries also explain to the Board, the implication of the requirements on Directors and the Company.

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All Directors of the Company, including for Ms. Chin Yen Song who joined the Board on 25 November 2021, have completed the Mandatory Accreditation Programme ("MAP") as required by the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). During the financial year under review, all Directors of the Company attended trainings, which included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies details of which are as follows:

| Directors   | Details of Program   |
|---|--|
| Dato' Tan Heng Chew                                 | <ul> <li>Tan Chong Motor Holdings Berhad ("TCMH"): Roles and Responsibilities of Directors in Governance, Risk &amp; Controls/Compliance</li> <li>TCMH/APM Automotive Holdings Berhad ("APM"): The Updated Malaysian Code on Corporate Governance 2021 - Implications of the Updates to the Company, its Directors, Management, Company Secretaries &amp; Auditors</li> <li>TCMH: 2022 National Budget Briefing by Mr. Tang Chin Fook</li> </ul>   |
| Tan Keng Meng                                       | <ul> <li>WTCH: Roles &amp; Responsibilities of Directors in Governance, Risk and Controls/ Compliance</li> <li>TC iTech Sdn Bhd ("TC iTech"): Cybersecurity Awareness Training</li> <li>BSLBATT: LFP (Lithium Ferro-Phosphate) Training</li> <li>WTCH/TCMH: The Updated Malaysian Code on Corporate Governance 2021: Implications of the Updates to the Company, its Directors, Management, Company Secretaries &amp; Auditors</li> <li>TCMH: 2022 National Budget Briefing by Mr. Tang Chin Fook</li> <li>WTC Automotif (M) Sdn Bhd: GAC GS3 Product Training</li> <li>Minority Shareholders Watch Group ("MSWG"): MSWG Webinar - Covid Creates Unique Governance Issues</li> </ul> |
| Chin Yen Song<br>(Appointed on<br>25 November 2021) | <ul> <li>WTCH: Roles &amp; Responsibilities of Directors in Governance, Risk and Controls/<br/>Compliance</li> <li>WTCH: The Updated Malaysian Code on Corporate Governance 2021:<br/>Implications of the Updates to Warisan, its Directors, Management, Company<br/>Secretaries &amp; Auditors</li> </ul>   |
| Chin Ten Hoy  | <ul> <li>TC iTech: Cyber Security Awareness Training</li> <li>WTCH: The Updated Malaysian Code on Corporate Governance 2021: Implications of the Updates to Warisan, its Directors, Management, Company Secretaries &amp; Auditors</li> <li>Bursa Malaysia Securities Berhad ("Bursa Securities"): Fraud Risk Management Workshop 2021</li> <li>MSWG: MSWG Webinar - Covid Creates Unique Governance Issues</li> </ul>   |
| Datuk Abdullah bin<br>Abdul Wahab                   | <ul> <li>WTCH: Roles &amp; Responsibilities of Directors in Governance, Risk and Controls/ Compliance</li> <li>TC iTech: Cyber Security Awareness Training</li> <li>WTCH: The Updated Malaysian Code on Corporate Governance 2021: Implications of the Updates to Warisan, its Directors, Management, Company Secretaries &amp; Auditors</li> <li>Securities Commission Malaysia ("SC"): AOB Conversations with Audit Committees</li> </ul>  |

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| Directors    | Details of Program  |
|--------------|---|
| Lee Min On   | <ul> <li>WTCH/TCMH/APM: Roles &amp; Responsibilities of Directors in Governance, Risk and Controls/Compliance</li> <li>TC iTech: Cyber Security Awareness Training</li> <li>Malaysian Institute of Accountants ("MIA"): MIA Virtual Conference Series: Capital Market Conference 2021</li> <li>Bursa Securities: Sustainability Reporting Workshops: Scope &amp; Materiality in Sustainability Reporting</li> <li>WTCH/TCMH/APM: The Updated Malaysian Code on Corporate Governance 2021: Implications of the Updates to Warisan, its Directors, Management, Company Secretaries &amp; Auditors</li> <li>SC: AOB Conversations with Audit Committees</li> <li>Malaysian Institute of Corporate Governance: 9th Governance in Procurement Conference 2021: Procurement Digitalisation for the Future</li> <li>MSWG: MSWG Webinar - Covid Creates Unique Governance Issues</li> </ul>   |
| Soh Eng Hooi | <ul> <li>MIA: Confirmation Fraud Case Studies: Leveraging on Technology to Reduce Risk of Fraud</li> <li>APM: Roles &amp; Responsibilities of Directors in Governance, Risk and Controls/ Compliance</li> <li>TC iTech: Cyber Security Awareness Training</li> <li>MIA: MIA Town Hall 2021- National</li> <li>MIA: MIA Webinar Series: Briefings on Technical Changes Affecting Financial Reporting</li> <li>WTCH: The Updated Malaysian Code on Corporate Governance 2021: Implications of the Updates to the Company, its Directors, Management, Company Secretaries &amp; Auditors</li> <li>MIA: Unclaimed Money Act 1965</li> <li>BDO Tax Services Sdn Bhd: Transfer Pricing Documentation</li> <li>Tricor Axcelasia Sdn Bhd: Managing Corporate Liability Risk</li> <li>MIA: Complimentary Webinar on ED ISA for Less Complex Entities (LCE) and engagement on eConfirm.my</li> <li>MIA: MIA Webinar Series: SMP Forum 2021</li> <li>SC: AOB Conversations with Audit Committees</li> <li>MSWG: MSWG Webinar - Covid Creates Unique Governance Issues</li> </ul> |

#### II. BOARD COMPOSITION

The Company is led by an experienced Board with diverse background in business and financial experience, and skills which are vital for the continuing progress and success of the Group.

The Board currently has seven (7) members, comprising three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors. This composition of the Board fulfills the requirements as set out under the Main Market Listing Requirements of Bursa Securities which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher must be independent. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering, finance, accounting and audit, legislative and administration, corporate governance, risk management, corporate and financial planning, as well as marketing and operations. The profiles of the members of the Board are provided in the Annual Report.

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The NRC is entrusted to assess the adequacy and appropriateness of the Board composition, identify and recommend suitable candidates for Board membership and also to assess annually the performance of the Directors, succession plans and Board diversity, including gender, age and ethnicity diversity, training courses for Directors and other qualities of the Board, including core-competencies, which the Independent Non-Executive Directors should bring to the Board. The Board has the ultimate responsibility of making the final decision on the appointment of new Directors.

The NRC considers candidates proposed by the Chairman and, within the bounds of practicability, by any Director or shareholder or sourcing from independent search firms/directors' registry. The NRC conducts interview session to assess and review, amongst others, the candidate's skills, knowledge, expertise, experience, competency, time commitment, character, professionalism and integrity. Based on the recommendations from the NRC, the Board evaluates and decides on the appointment of the proposed candidate as an additional Director or to replace any Director who resigns or retires from the Board and Board Committees.

The Board, through the NRC, conducts an annual review of the Board, Board Committees and individual Directors using questionnaire methodology. For the financial year under review, the self and/or peer assessments were carried out via assessment forms, comparing existing corporate governance practices and activities against the relevant terms of reference, practices and guidance of the MCCG and Main Market Listing Requirements. The Board, Board Committees and individual Directors were assessed based on criteria covering areas, amongst others, composition and structure, mix of skills, experiences, competencies, personality, diversity, contribution and performance and meeting administration and conduct.

Based on the annual assessment conducted on 13 January 2022, the NRC was satisfied with the existing Board composition and concluded that each Director has the requisite competence and capability to serve on the Board and has sufficiently demonstrated his/her commitment to the Board in terms of time and participation during the year under review, and has accordingly recommended to the Board the re-election of the retiring Directors at the Company's forthcoming Annual General Meeting ("AGM"). All assessments and evaluations carried by the NRC in the discharge of its functions were duly documented.

The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director. Thereafter, he may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director after the latter had served a cumulative term of nine (9) years, the Board must justify such decision and seek shareholders' approval at the AGM.

The NRC has assessed the independence of all Independent Non-Executive Directors for the financial year 2021 based on criteria set out in Paragraph 1.01 of the Main Market Listing Requirements and Practice Note 13 of Bursa Securities and concluded that all the Independent Non-Executive Directors have satisfied the independence criteria and each of them is able to provide independent judgement and act in the best interest of the Company.

Following an assessment and recommendation by the NRC, the Board is of the opinion that the independence of the existing Independent Non-Executive Directors remains unimpaired and their judgement over business dealings of the Company has not been influenced by the interest of the other Directors or substantial shareholders.

The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Non-Executive Director. Thereafter, the person may be re-designated as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as an Independent Non-Executive Director after the latter had served a cumulative term of nine (9) years, the Board must justify such decision and seek shareholders' approval at the AGM.

Datuk Abdullah bin Abdul Wahab has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. Following an assessment and recommendation by the NRC, the Board recommended that Datuk Abdullah bin Abdul Wahab who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years as at date of this Annual Report, be retained as an Independent Non-Executive Director, subject to shareholders' approval at the forthcoming AGM of the Company based on key justifications as set out under the Explanatory Notes of the Notice of the AGM.

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The Company has formalised a Board Diversity Policy and such policy is contained in the Board Charter which is published on the Company's website. Evaluation of the suitability of candidates is based on the candidates' competency, character, time availability, integrity and experience in meeting the Company's needs. The Board constantly advocates fair and equal participation and opportunity for all individuals of the right calibre without any discrimination as to the age, ethnicity or gender of the candidates concerned.

In accordance with the Board Diversity Policy on gender, the Board shall comprise at least a woman Director at any time. In encouraging women in senior management to join boards as part of their professional development and building business networks, Ms. Chin Yen Song who is the Acting Chief Executive Officer of Mayflower Group, Travel and Car Rental Divisions since January 2021 has been recommended for appointment as a Director of the Company by the Senior Management. The NRC met on 24 November 2021 and assessed the suitably of Ms. Chin Yen Song for appointment as an Executive Director of the Company based on her character, professionalism and integrity as well as her skills, competence, expertise, experience and time commitment. The NRC viewed that Ms. Chin has the relevant experience, credentials and expertise and would be able to discharge her duty as an Executive Director of the Company and has recommended Ms. Chin to the Board for appointment as an Executive Director. The Board having considered the recommendations of the NRC approved the appointment of Ms. Chin as an Executive Director on 25 November 2021. This latest appointment of Ms. Chin has brought to the Board diversity in terms of gender as well as age, the latter of which would be pertinent for an orderly succession of Board members.

A summary of key activities undertaken by the NRC in discharging its duties during the financial year under review is set out below:

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of Directors who are due for retirement by rotation, and continuation in office as an Independent Non-Executive Director for Datuk Abdullah bin Abdul Wahab who has served a cumulative term of more than nine (9) years for shareholders' approval at the forthcoming AGM;
- Reviewed the size and composition of the Board based on the required mix of skills, experience, knowledge and diversity;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the contributions of individual Directors as well as the Chief Financial Officer and Company Secretary;
- Assessed Directors' training needs and acknowledged the training programmes attended by Directors as well
  as identified suitable training programmes to enhance Directors' skills;
- Assessed the term of office and performance of the Audit Committee and each of its members;
- Reviewed the terms of reference of the NRC;
- Reviewed and recommended the appointment of a new Executive Director to the Board;
- Reviewed the Policies and Procedures for the Remuneration of Directors and Senior Management;
- Reviewed 2021 Bonus and 2022 Salary Increment for employees of the Group; and
- Reviewed the renewal of Executive Service Contract for the Senior Management.

#### III. REMUNERATION

The NRC has been tasked with expanded duties and responsibilities to assist the Board in implementing policies and procedures on matters relating to the remuneration of Board members and Senior Management.

In accordance with Practice 7.1 of the MCCG, the Board has formalised pertinent Policies and Procedures for the Remuneration of Directors and Senior Management to align with business strategy and long-term objectives of the Group. The remuneration packages for Executive Directors and Senior Management are linked to performance, qualifications, experience, competence and scope of responsibility and geographic location where the personnel are based and are periodically benchmarked to the market/industry surveys conducted by human resource consultants.

As a matter of practice, the Directors concerned abstain from deliberation and voting on their own remuneration at Board Meetings.

The remuneration received or to be received by Directors of the Company from the Group and Company for the financial year ended 31 December 2021 amounted to RM3,206,448 and RM2,411,440 respectively. Details of the remuneration for each of the Directors on a named basis are set out under Practice 8.1 of the Corporate Governance Report uploaded on the Company's website at <a href="https://www.warisantc.com.my">www.warisantc.com.my</a>.

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#### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. AUDIT COMMITTEE

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Independent Non-Executive Directors with Ms. Soh Eng Hooi as the Committee Chairman. The members of the Audit Committee, collectively, are financially literate and are qualified to discharge their duties and responsibilities set out in the Committee's Terms of Reference ("Charter") approved by the Board. They constantly keep abreast of relevant changes to financial reporting standards and pertinent issues which have a significant impact on financial statements through regular updates from the external auditors and the Chief Financial Officer.

One of the key responsibilities of the Audit Committee in its Charter is to ensure that the financial statements of the Group and the Company comply with the applicable financial reporting standards in Malaysia and provisions of the Companies Act, 2016. Full details of the Audit Committee's responsibilities can be found in the Charter, which is annexed to the Board Charter and is available on the Company's website. A summary of the activities carried out in 2021 by the Audit Committee is set out in the Audit Committee Report of this Annual Report.

Pursuant to the Audit Committee Charter of the Company, no former partner of the external audit firm of the Company and/or its affiliates (including those advisory services, tax consulting etc) shall be appointed a member of the Committee unless he has ceased as the key audit partner for a period of at least 3 years.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors and/or their affiliates, including the need for obtaining the Audit Committee's approval for such services before such services are provided.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The Board has put in place a structured framework to enable Management to identify, evaluate, control, report and monitor the principal business risks faced by the Group. The Board is updated on the Group's system which encompasses risk management practices and the implementation of internal controls to mitigate the identified business risks on a regular basis. Ongoing reviews are performed throughout the year by the respective business units to identify, evaluate, manage, report and monitor the significant risks affecting their business and ensure that adequate internal controls are in place. The risk registers which are maintained by the Group are reviewed and updated by the Risk Management and Sustainability Committee (a Management Level Committee) at least twice a year.

Details of the Group's Enterprise Risk Management framework, activities carried out for the financial year under review and reporting processes are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

In line with the MCCG and the Main Market Listing Requirements of Bursa Securities, the Board has established an in-house Group Internal Audit Department ("GIA"), which reports directly to the Audit Committee on the adequacy and operating effectiveness of the Group's system of risk management and internal control. All internal audits carried out are guided by the International Professional Practices Framework of The Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors. The GIA is independent of the activities it audits and its authority, scope and responsibilities are governed by an Internal Audit Charter approved by the Audit Committee. The scope of work covered by the GIA during the financial year under review is set out in the Statement on Risk Management and Internal Control included in this Annual Report.

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#### PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's shareholders and other stakeholders.

Shareholders and other stakeholders of the Company, as the case may be, are provided with accurate and timely dissemination of information via the Annual Reports, circulars to shareholders, quarterly financial reports and the various announcements which provide an overview of the Group's financial results, business performance and operations. Shareholders and other stakeholders can access information at the Company's website at <a href="https://www.warisantc.com.my">www.warisantc.com.my</a>, which includes the Board Charter, corporate information, announcements, financial information, and Annual Reports.

The Company also has a dedicated electronic mail, i.e. <u>corporate@warisantc.com</u> to which stakeholders can direct their queries or concerns.

#### II. CONDUCT OF GENERAL MEETINGS

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification.

In line with the MCCG, the Company despatched the notice of the 24<sup>th</sup> AGM to its shareholders at least 28 days before the AGM. As part of the initiatives to curb the spread of Coronavirus Disease 2019 (Covid-19), the 24<sup>th</sup> AGM which was held on 4 June 2021 was conducted fully virtual from the online meeting platform at TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia. During the 24<sup>th</sup> AGM, the Chairman of the meeting ensured that the meeting was conducted in an orderly manner and allowed shareholders or proxies to raise questions or seek clarification on agenda items of the AGM. The shareholders were encouraged to pose and submit questions electronically in advance of the 24<sup>th</sup> AGM or submit their questions using the query box to transmit their questions during the Meeting for the Board to respond.

The Chief Executive Officer presented to the Meeting the Group's financial performance, some key initiatives and business outlook of the year. The Directors and Senior Management responded to all questions submitted and provided clarification as required by the shareholders. The full minutes of the 24<sup>th</sup> AGM, including the Company's responses to questions posed by shareholders before and during the AGM, are available on the Company's website.

All resolutions set out in the notice of AGM are voted by poll in accordance with the Main Market Listing Requirements of Bursa Securities. The Board adopted an electronic voting process for polling at the last AGM to facilitate greater shareholders' participation, enabling efficiency in the voting process as well as ensuring transparency and accuracy of the voting results.

This Statement is dated 11 April 2022.

The Board of Directors of Warisan TC Holdings Berhad is pleased to present the Audit Committee Report ("Report") for the financial year ended 31 December 2021.

#### **COMPOSITION AND MEETINGS**

The Audit Committee ("Committee") was established on 1 November 1999. The current composition of the Committee and the attendance of its members at the seven (7) meetings held during the financial year are set out below:

| Name   | Designation | Attendance |
|--|-------------|------------|
| Soh Eng Hooi<br>Independent Non-Executive Director                   | Chairman    | 7/7        |
| Datuk Abdullah bin Abdul Wahab<br>Independent Non-Executive Director | Member      | 7/7        |
| Lee Min On Independent Non-Executive Director                        | Member      | 7/7        |

The Committee meetings are structured using agendas and relevant board papers which are distributed to the Committee members with adequate notice prior to such meetings. This enables Committee members to study the items on the agenda, including relevant materials that support the items and, where appropriate, provides an opportunity for them to seek additional information or clarification from Management.

The Committee Chairman, who shall be an Independent Non-Executive Director, calls for meetings to be held not less than four (4) times in a year. Any member of the Committee may requisition for a meeting at any time, and the Committee Secretaries, on such requisition, arranges with the Committee Chairman to convene a meeting. Except in the case of an emergency, seven (7) days' notice of meeting is given in writing to all members. The quorum for meeting is majority of members who are Independent Non-Executive Directors. Meetings are chaired by the Committee Chairman and, in her absence, by an Independent Non-Executive Director from those members who are present. Decision is made by majority of votes determined by a show of hands, with interested members abstaining from discussion and decision.

The Chief Executive Officer, Chief Financial Officer and Head of Internal Audit, including the Company Secretaries, who served as the Committee Secretaries, normally attended the meetings convened to provide explanations and additional information to assist the Committee on the agenda items deliberated. The Committee Chairman has the prerogative to invite other Board members and employees to attend meetings. Representatives of the External Auditors attend the Audit Committee meetings to table their Audit Plan, findings from the audit and their audit opinion on the financial statements of the Company and the Group.

The Committee Chairman has the right to require those who are in attendance to leave the room when matters to be discussed are likely to be hampered by their presence or confidentiality of matters that needs to be preserved.

During the year, the performance of the Committee was evaluated by the members by way of a self and peer evaluation, the outcome of which was reviewed by the Nominating and Remuneration Committee. Having considered the recommendation made by the Nominating and Remuneration Committee, the Board was satisfied that the Committee members have discharged their functions, duties and responsibilities in accordance with the Committee's Terms of Reference.

In compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Committee's Terms of Reference have been uploaded on the Company's website at <a href="https://www.warisantc.com.my">www.warisantc.com.my</a>

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#### SUMMARY OF WORK OF THE AUDIT COMMITTEE

The Committee works closely with Management, Group Internal Audit and the External Auditors to carry out its functions and duties set out under its Terms of Reference.

In discharging its roles and responsibilities, the Committee carried out the following work during the financial year under review and up to the date of this Report:

#### (1) Financial Reporting

- (a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on key material matters, which included the going concern assumption, and ensured the disclosures thereof complied with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Listing Requirements of Bursa Securities before recommending the same to the Board for approval to release the quarterly financial results to Bursa Securities;
- (b) Reviewed together with the External Auditors, the annual audited financial statements of the Company and of the Group before recommending the same to the Board for approval; and
- (c) Reviewed the impact of any changes in accounting policies and adoption of any new financial reporting standards, together with significant matters highlighted in the financial statements.

#### (2) External and Internal Auditors

- (a) Reviewed the External Auditors' Audit Plan for the Company and Group, which outlined the External Auditors' responsibilities, key audit matters, scope of work, the potential key audit matters and focus areas, as well as non-audit services for the financial year ended 31 December 2021 and their fees;
- (b) Discussed and reviewed with the External Auditors, the results of their examination and the auditors' report in relation to audit and accounting issues arising from the audit, including auditing standards that were mandated by the Malaysian Accounting Standards Board and the impact of any new Malaysian Financial Reporting Standards on the results of the Company and Group;
- (c) Discussed and reviewed the areas for improvements in the internal control system of companies of the Group as highlighted by the External Auditors, including remedial measures agreed to be taken by Management to address the issues;
- (d) Considered the suitability and independence of the External Auditors by assessing, among others, the adequacy of their resources, timeliness of services, technical knowledge, experience, skills, independence and objectivity, their audit engagement and the competence of the audit team members assigned to the engagement. After having assessed the External Auditors in February 2022 and obtained written assurance from the External Auditors confirming their professional independence throughout the course of audit engagement, the Committee was satisfied that the External Auditors were able to meet the audit requirements and statutory obligations of the Company as well as their independence and objectivity as External Auditors of the Company. In line with the Malaysian Code on Corporate Governance 2021 Edition, the Committee also reviewed the Global Annual Transparency Report of the external audit firm as well as inquired of the Malaysia audit firm's governance and leadership structure, measures undertaken by the firm to uphold audit quality and manage risks. Following the outcome of such assessment, the Committee recommended to the Board the re-appointment of Mazars PLT as External Auditors of the Company at the forthcoming Annual General Meeting ("AGM"). The Board accepted the Committee's recommendation for Mazars PLT's re-appointment as the External Auditors at the forthcoming AGM, subject to shareholders' approval;

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- (e) Private sessions were held with representatives of the External Auditors without the presence of Executive Directors, Senior Management and Committee Secretaries. These sessions enabled the External Auditors to discuss with candour with the Committee on any matters noted during their audit without being beholden to Management's presence, particularly areas which would require the focus of the Committee pertaining to overseeing financial reporting;
- (f) Reviewed and approved the Internal Audit Plan for the financial year, focusing on the adequacy of scope and coverage of auditable areas, including the basis of scoping the areas to be audited and staffing requirements to ensure higher risk areas were identified for audit vis-à-vis the adequacy of resource availability;
- (g) Reviewed the Internal Audit scope to ensure the coverage encompassed internal controls on operations, financial, compliance and information technology processes relating to the Group based on the approved Internal Audit Plan;
- (h) Discussed and reviewed the major findings, areas requiring improvements and key significant internal audit matters raised by Group Internal Audit and Management's response thereto, including follow-up on the status of actions taken by Management to address issues raised in previous internal audits. Management of the respective business units where internal audit issues were raised and who attended the Committee meetings to provide further explanations to the Committee, were entrusted to formulate action plans to improve internal control procedures and workflow processes based on the Group Internal Audit's recommendations;
- (i) Reviewed the independence, performance, competence and effectiveness of the Group Internal Audit function; and
- (j) Held a private session with the Head of Group Internal Audit without the presence of Executive Directors, Senior Management and Committee Secretaries. This session provided a platform for the Head of Group Internal Audit to discuss with the Committee on any areas of professional reservations he might have, including limitation to his scope of work by Management during internal audit, if any.

#### (3) Related Party Transactions and Recurrent Related Party Transactions

Reviewed the recurrent related party transactions ("RRPTs") of the Group on a quarterly basis to ensure that the transactions entered into by the Group were within the shareholders' mandate obtained at the last AGM of the Company, in relation to the nature and value limits of the transactions, including "arm's length" terms of trade. For impending related party transactions to be entered into by the Group, the Committee deliberated on the nature of the transactions and ensured the terms were in line with the Group's Related Party Transactions Framework and that disclosures were properly made in accordance with the Listing Requirements of Bursa Securities.

#### (4) Other Matters

- (a) Reviewed the Circular to Shareholders in relation to shareholders' mandate on RRPTs and the review procedures of RRPTs, Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in this Annual Report to ensure compliance with the relevant regulatory reporting requirements prior to recommending the same to the Board for approval;
- (b) Reviewed the corporate risks scorecards of the Group and endorsed the action plans that were being implemented by Management of the various business divisions to mitigate the identified business risks to acceptable levels; and
- (c) Reviewed the Terms of Reference of the Audit Committee, Risk Management Policy and Procedures and Framework for Corruption Risk Assessment as well as the Fraud Prevention Policy and Special Complaint Policy and recommended the same for approval by the Board.

#### INTERNAL AUDIT FUNCTION AND ACTIVITIES

The Committee is supported by an in-house Group Internal Audit Department ("GIA"), which reports functionally to the Committee and is independent of the activities it audits. The GIA is headed by Mr. Khoo Choong Keat, a Certified Internal Auditor and Certified Fraud Examiner, who is assisted by three (3) internal audit personnel. For the financial year under review, all the internal audit team members have confirmed in writing that they were independent of Management and their objectivity had not been compromised in the course of their work. All internal audits carried out during the financial year under review and up to the date of this Report were guided by the International Professional Practices Framework of The Institute of Internal Auditors Inc, a globally recognised professional body for internal auditors.

GIA operates under a charter approved by the Committee that provides the internal audit function a formal mandate to carry out its work, including unrestricted access to companies within the Group for the purpose of conducting internal audit.

The GIA adopts a risk-based approach in identifying areas to be audited on a prioritised basis that focuses on key activities of major business divisions within the Group, taking into consideration the key business risks faced by the Group. Internal audit activities are guided by an annual audit plan which is approved by the Committee.

The main objectives of internal audit are to assess the adequacy and operating effectiveness of the internal control and risk management systems, and that the operating units and functions assessed are operating in line with the existing Group's policies and procedures.

Full details of the work and activities carried out by GIA for the financial year under review, including the costs incurred by GIA, are set out in the Statement on Risk Management and Internal Control included in this Annual Report.

This Report is dated 11 April 2022.

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of Warisan TC Holdings Berhad ("Company") is required to provide a statement in the Company's annual report about the state of risk management and internal control of the Company as a group.

The Board is pleased to furnish the Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the system of risk management and internal control in the Group (comprising the Company and its subsidiaries) for the financial year ended 31 December 2021 and up to the date of this report. This Statement has considered and included the mandatory contents outlined in the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers", a publication of Bursa Securities, which provides guidance to listed issuers in preparing the Statement.

#### BOARD'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and operating effectiveness to safeguard shareholders' investment and the Group's assets. Due to the inherent limitations in any system of risk management and internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, this system can only provide reasonable, but not absolute, assurance against material misstatement, financial loss or fraudulent activities.

The Board confirms that there is a continuous process to identify, evaluate, manage and monitor the significant risks of the Group, except for the review of risk management and internal control in associate and jointly controlled entities where the Group's interest is served through representation on the Board of the associate and joint venture companies. The Board also affirms that such process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. During the financial year, key risks relating to the Group's operations were identified and evaluated in terms of their impact to the Group, including implementation and monitoring of action plans to mitigate the risks to acceptable levels, and thereafter tabled to the Audit Committee and Board for comments and notation.

The Board has delegated the oversight of risk management and internal controls to the Audit Committee, which comprises three (3) Independent Non-Executive Directors. The Chief Executive Officer, who chairs the Risk Management and Sustainability Committee ("RMSC"), updates significant matters deliberated at the RMSC meeting to the Audit Committee and the Board, where comments are noted for follow-up, as appropriate.

#### MANAGEMENT'S RESPONSIBILITY ON RISK MANAGEMENT AND INTERNAL CONTROL

The RMSC is primarily responsible for implementing the risk management framework, approved by the Board. This framework, which is aligned with ISO31000: 2018 Risk Management – Guidelines, provides practical handles to process owners to ensure that risk management processes are adequate, and that appropriate actions have been, or are being, taken by the business unit management to mitigate identified business risks to acceptable levels across the Group. The risk management process incorporates procedures to identify business risks that are strategic, operational, financial and compliance in nature as well as other key risks affecting cyber security, corruption, business sustainability and reputation. The Group continues to foster a risk-aware culture in decision making and commits to manage business risks in a proactive and effective manner, in particular enabling the Group to respond in tandem with evolving business sentiments and market forces, which is critical for the Group's sustainability, safeguarding of assets and enhancement of shareholder value.

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#### Risk Management Framework

Key features of the Group's risk management framework are as follows:

- Establishment of the RMSC, headed by the Chief Executive Officer, which comprises key management personnel from the respective business units. The RMSC is entrusted with the responsibility to identify and communicate to the Board, through the Audit Committee, the principal business risks that the Group faces, their changes and management action plans to mitigate the risks and to review sustainability matters, covering the economic, environmental, governance and social dimensions of business, policies and programmes, and overseeing the performance in such areas and the extent of any action taken to address issues identified for improvement. Minutes of the RMSC meetings are presented to the Audit Committee and the Board for notation, including any questions that may be raised for clarification. For more information on sustainability matters, refer to the Sustainability Statement of this Annual Report;
- Adoption of the Risk Management Policy and Procedures, which outline the Group's risk management framework, including practical guidance for operating personnel on risk management issues; and
- Periodic updates on the Risk Profile and Key Risk Indicator ("KRI") dashboard by the heads of business unit ("HOBU"). KRIs are developed for risks rated as "Moderate" and "High" by business units. The KRIs are measured, tracked regularly and reported to RMSC and the Audit Committee periodically. Appropriate triggering points are identified in the KRIs and, if triggered, action or treatment plans will be initiated by Management to address such risks to acceptable levels.

The Group has adopted the ISO31000:2018's risk management process as depicted in the diagram below:



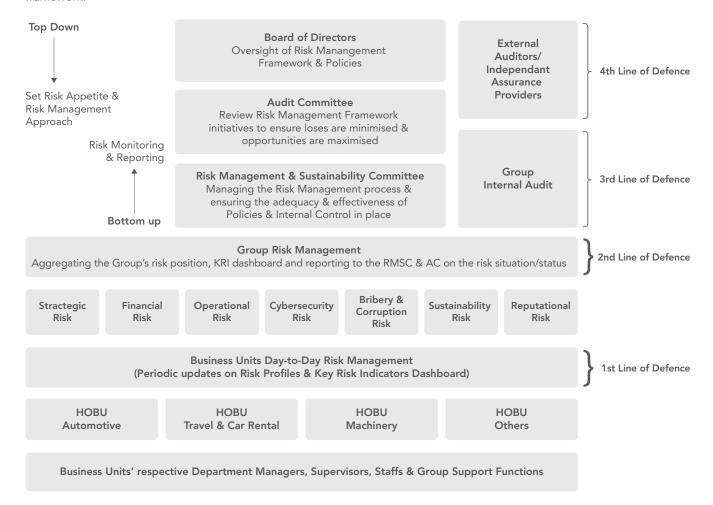
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Risk Champions are appointed from each business unit to co-ordinate with the Group Risk Management ("GRM") in implementing risk management initiatives for their respective business units. They work closely with their respective HOBUs to strengthen the risk management process within the Group by supporting the risk assessment process, monitoring and following up on action plans to be implemented.

The HOBUs identify and assess key business risks as guided by the risk management framework. Reports on identified key risk areas, with risk scores based on risk acceptance criteria and remedial measures to address the risks, together with progress updates, are submitted to the RMSC. This process enables the RMSC to evaluate the adequacy and operating effectiveness of the risk management process and internal control system, including additional remedial actions planned to remediate the risks to acceptable levels.

During the financial year, the RMSC convened three (3) meetings to review emerging and existing key risks that affected the Group's business operations and the mitigating steps to address them. Focus was directed towards identifying and evaluating risks affecting strategies, finance, operations, cybersecurity, bribery and corruption risk, sustainability and reputation, including the measures implemented to mitigate them.

The diagram below summarises the governance structure and escalation process under the Group's risk management framework:



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The various lines of defence are explained as follows:

- First Line of Defence
  - Conduct of day-to-day activities and risk management actions by the business units, comprising the respective heads, department managers, supervisor staff and Group support functions;
- Second Line of Defence
  - GRM ensures the policy and procedures on the Group's risk management framework are adhered to, including any business risks that are omitted as well as the appropriateness of risk ratings based on risk indicators;
- Third Line of Defence
  - This comprises the Audit Committee, which is assisted by the Group Integrity Officer, External Auditors and inhouse Internal Audit function ("Group Internal Audit"). The Group Integrity Officer oversees adherence to policies and procedures of the Group's anti-bribery and anti-corruption ("ABAC") framework, further details of which are provided in this Statement below, including sustainability matters. The External Auditors conduct an annual audit of the financial statements of the Group and Company and report the outcome to the Audit Committee. Where weaknesses are noted in their scope of work carried out, the Group Integrity Officer and External Auditors report to the Audit Committee their concerns, the associated implications and, where appropriate, the recommended action plans for Management's consideration. The remit and work carried out by the Group Internal Audit are elaborated in this Statement under the Internal Audit function below; and
- Fourth Line of Defence
  - The Board is assisted by the Audit Committee in overseeing the adequacy and operating effectiveness of the system of risk management and internal control, as well material sustainability matters, including compliance with the Group's ABAC framework.

#### INTERNAL CONTROL SYSTEM

Key elements of the Group's internal control system are described as follows:

- Formalisation of defined lines of responsibility, authority limit thresholds, delegation of authority, segregation of duties and information flow;
- The Executive Management Committee reviews high-level operating policies as well as monitors the performance and profitability of business divisions;
- Internal policies and procedures have been established in writing for adherence by all personnel in the Group to enable activities to be conducted in a structured and orderly manner;
- Establishment of planning and budgetary process for business units, with periodical monitoring of performance so
  that major variances from approved budgets are adequately accounted for, including the follow-up of management
  actions taken to address adverse variances noted;
- The Group's performance is reviewed and deliberated by the Audit Committee and Board on a quarterly basis with financial performance variances presented by Management, including explanations for significant variances from preceding periods as well as from the budget. The quarterly deliberations also include proposed action plans deployed by the various business units to realise corporate objectives;
- Justification and approval process for major expenditures to ensure congruence with the Group's strategic objectives; and
- Independent appraisals by the Group Internal Audit to determine ongoing compliance with policies and procedures, as well as assess the adequacy and operating effectiveness of the Group's internal control system that address strategic, financial, compliance, and operational risks.

The Board has formalised a fraud prevention framework, providing broad principles, strategy and policy for the Group in relation to fraud and malpractices. This framework establishes comprehensive programmes and controls for the Group as well as highlights the roles and responsibilities at every level of operations for preventing and responding to fraud and malpractice.

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The Board has also established a ABAC Policy for the Group, guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009. It is designed to provide a framework governing the general principles and processes on the giving and receipt of gratification. The primary aim of the ABAC Policy is to promote and maintain good governance, integrity and accountability within the Group and to govern the Group's interaction with its stakeholders so that corruption and bribery risks residing in the Group's operations are identified in a structured manner for adequate procedures to be implemented by Management to prevent the occurrence of bribery or corruption.

In augmenting the fraud prevention framework and the ABAC Policy, the Board has adopted a Special Complaints Policy which sets out procedures for employees and external parties to raise concern on any questionable practices or improper activities within the Group.

#### INTERNAL AUDIT FUNCTION

The Group has established the Group Internal Audit to support the Audit Committee and, by extension, the Board, by providing independent and objective assurance on the adequacy and operating effectiveness of the Group's system of risk management and internal control. The Group Internal Audit adopts a risk-based approach that focuses on major business divisions in the Group for the purpose of identifying areas to be audited on a prioritised basis, vis-à-vis the risks inherent in the business divisions concerned. The Internal Audit Plan is tabled annually and approved by the Audit Committee before actual audit work commences. The Group Internal Audit reports periodically to the Audit Committee its conclusion on the adequacy and operating effectiveness of the system of risk management and internal control of the business divisions, including its observations and recommended action plans for Management's consideration, based on work conducted on the in-scope areas. Agreed-upon remedial actions by Management are included in the report and tracked by the Group Internal Audit on the status of implementation when it conducts follow-up review. During the financial year, Management of the relevant business divisions attended certain Audit Committee meetings to explain to the Audit Committee the root causes which gave rise to the areas of concern reported by the Group Internal Audit, including the action plans agreed to be implemented to prevent recurrence of the issues as reported. The explanations also included the status of action plans on issues previously reported by the Group Internal Audit.

Due to various stages of Movements Control Orders in 2021, where inter-state travelling was prohibited, certain internal audit assignments planned for branches located outside of the Klang Valley were postponed. The assignments were replaced by branches located in the Klang Valley.

Members of the Group Internal Audit are independent of the activities they audit, and they have no involvement in the operations that are being audited. In assessing their professional and financial independence, the Head of Group Internal Audit has confirmed to the Audit Committee that he and his team members were free from any relationship or conflict of interest which could impair their objectivity and independence.

During the financial year under review and up to the date of this Statement, the Group Internal Audit performed internal audits, encompassed activities and transactions, as the case may be, in respect of the following divisions of the Group:

- 1) Car Rental Division
  - o Conducted the year-end stock count of vehicles at Mayflower Car Rental Sdn Bhd's Headquarter;
  - o Reviewed credit control function at Mayflower Car Rental Sdn Bhd's Johor Bharu and Kuantan branches;
  - o Reviewed fuel card management of Mayflower Coach Division;
  - o Reviewed the procurement of new motor vehicles at Mayflower Car Rental Sdn Bhd; and
  - o Reviewed the non-accident repairs and routine vehicle maintenance of Gocar Mobility Sdn Bhd;

#### 2) Machinery Division

 Attended the year-end stock-take activities, covering heavy machinery at TCIM Sdn Bhd's Headquarter in Shah Alam;

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- 3) Automotive Division
  - Attended Angka-Tan Motor Sdn Bhd's year-end stock-take activities, covering heavy commercial vehicles and their accessories; and
  - o Reviewed the processes and controls on direct purchase of motor vehicles at MUV Marketplace Sdn Bhd;
- 4) Consumer Product Division
  - o Attended the year-end stock-take activities of joint-venture companies, namely Shiseido Malaysia Sdn Bhd and Wacoal Malaysia Sdn Bhd; and
  - o Reviewed the Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy of Wacoal Malaysia Sdn Bhd;
- 5) Bank Covenants
  - Reviewed the compliance of bank covenants on all banking facilities of the Company's subsidiaries;
- Captive Insurance
  - o Mandatory audit, covering compliance with laws and regulations of the Labuan Financial Services Authority, anti-money laundering, data integrity, claim processes, level of authority, and risk management process; and
- 7) Recurrent Related Party Transactions ("RRPTs")
  - o Reviewed RRPTs to ensure that they were transacted on arm's length basis and in line with the Shareholders' Mandate on RRPTs obtained at the last Annual General Meeting of the Company and the Group's Related Party Transactions Framework.

The costs incurred for the Group Internal Audit function in respect of the financial year ended 31 December 2021 amounted to approximately RM475,000 (2020: RM453,000).

#### REVIEW OF THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board has received assurance in writing from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system, covering all key controls, including strategic, financial, operational and compliance controls, is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework adopted by the Group. Based on this assurance and feedback from the Group Internal Audit, External Auditors, and Group Integrity Officer, the Board is of the view that there were no material losses that resulted from a breakdown in the system of risk management and internal control during the financial year under review. The Board is also of the view that the system of risk management and internal control, which has been in place for the financial year under review and up to the date of this Statement, is adequate to achieve the Group's business objectives, given that appropriate steps have been, or are being, taken by Management to remediate weaknesses and areas for improvement in internal control as reported by the Group Internal Audit.

#### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the financial year ended 31 December 2021, and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and views by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

# ADDITIONAL COMPLIANCE INFORMATION

AS AT 11 APRIL 2022

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following additional information is provided:

#### (i) Utilisation of proceeds

There were no proceeds raised from corporate exercises during the financial year.

#### (ii) Audit and non-audit fees

The amount of audit and non-audit fees incurred for the services rendered by the external auditors of the Company, Mazars PLT or a firm or company affiliated to the external auditors, to the Company and the Group respectively during the financial year ended 31 December 2021 were as follows:

|                      | Group  | Company |
|----------------------|--------|---------|
|                      | 2021   | 2021    |
|                      | RM'000 | RM'000  |
| Statutory audit fees | 323    | 33      |
| Non-audit fees*      | 167    | 10      |

#### Note:

#### (iii) Material contracts

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors and major shareholders, either subsisting at the end of the financial year or entered into since the end of the previous fiancial year.

<sup>\*</sup> The non-audit fees relate primarily to taxation services.

# **ANALYSIS OF SHAREHOLDINGS**

AS AT 31 MARCH 2022

#### SHARE CAPITAL

Total Number of Issued Shares : 67,200,000 ordinary shares

Total Issued Share Capital : RM67,200,000 Class of Shares : Ordinary Shares

Voting Rights : 1 vote per ordinary share

#### ANALYSIS BY SIZE OF HOLDINGS

| Size of Holdings                                    | No. of<br>Holders | %      | No. of<br>Shares Held | %      |
|---|-------------------|--------|-----------------------|--------|
| Less than 100                                       | 1,739             | 40.07  | 75,426                | 0.11   |
| 100 - 1,000   | 1,904             | 43.87  | 619,795               | 0.92   |
| 1,001 - 10,000                                      | 533               | 12.28  | 1,844,769             | 2.75   |
| 10,001 - 100,000                                    | 116               | 2.67   | 3,695,571             | 5.50   |
| 100,001 - 3,255,019 (less than 5% of issued shares) | 45                | 1.04   | 27,144,830            | 40.40  |
| 3,255,020 (5% of issued shares) and above           | 3                 | 0.07   | 31,720,009            | 47.20  |
| Sub-Total -   | 4,340             | 100.00 | 65,100,400            | 96.88  |
| Treasury shares                                     |                   |        | 2,099,600             | 3.12   |
| Total   | 4,340             | 100.00 | 67,200,000            | 100.00 |

### DIRECTORS' SHAREHOLDINGS (as per Register of Directors' Shareholdings)

|    |                                | Direct<br>No. of |                  | Indirect<br>No. of |           |
|----|--------------------------------|------------------|------------------|--------------------|-----------|
|    | Name                           | Shares Held      | % <sup>(1)</sup> | Shares Held        | % (1)     |
| 1. | Dato' Tan Heng Chew            | 3,737,033        | 5.74             | 31,604,328         | 48.55 (2) |
| 2. | Tan Keng Meng                  | 100              | _ (3)            | -                  | -         |
| 3. | Chin Yen Song                  | -                | -                | -                  | -         |
| 4. | Datuk Abdullah bin Abdul Wahab | -                | -                | -                  | -         |
| 5. | Soh Eng Hooi                   | -                | -                | -                  | -         |
| 6. | Lee Min On                     | -                | -                | -                  | -         |
| 7. | Chin Ten Hoy                   | -                | -                | -                  | -         |

#### Notes:

<sup>(1)</sup> Percentage is based on total number of issued shares less treasury shares.

Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 ("the Act.") and interest of spouse and daughter by virtue of Section 59(11)(c) of the Act.

<sup>(3)</sup> Less than 0.01%.

# **ANALYSIS OF SHAREHOLDINGS**

AS AT 31 MARCH 2022 cont'd

### SUBSTANTIAL SHAREHOLDERS (as per Register of Substantial Shareholders)

|    | Name                           | Direct<br>No. of<br>Shares Held | % <sup>(1)</sup> | Indirect<br>No. of<br>Shares Held | % (1)     |
|----|--------------------------------|---------------------------------|------------------|-----------------------------------|-----------|
| 1. | Tan Chong Consolidated Sdn Bhd | 23,446,509                      | 36.02            | -                                 | -         |
| 2. | Dato' Tan Heng Chew            | 3,737,033                       | 5.74             | 27,844,509                        | 42.77 (2) |
| 3. | Wealthmark Holdings Sdn Bhd    | 4,398,000                       | 6.76             | -                                 | -         |
| 4. | Tan Eng Soon                   | -                               | -                | 23,446,509                        | 36.02 (3) |

#### Notes:

(1) Percentage is based on total number of issued shares less treasury shares.

#### THIRTY LARGEST SHAREHOLDERS

|     | Name   | No. of Shares Held | %*    |
|-----|--|--------------------|-------|
| 1.  | TAN CHONG CONSOLIDATED SDN BHD   | 21,004,909         | 32.27 |
| 2.  | CITIGROUP NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR UBS SWITZERLAND AG (CLIENTS ASSETS)                                | 6,317,100          | 9.70  |
| 3.  | AMSEC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR<br>WEALTHMARK HOLDINGS SDN BHD | 4,398,000          | 6.76  |
| 4.  | CIMSEC NOMINEES (TEMPATAN) SDN BHD<br>CIMB FOR TAN HENG CHEW (PB)  | 2,897,000          | 4.45  |
| 5.  | TAN CHONG CONSOLIDATED SDN BHD   | 2,371,600          | 3.64  |
| 6.  | PANG SEW HA @ PHANG SUI HAR  | 1,738,095          | 2.67  |
| 7.  | CIMSEC NOMINEES (TEMPATAN) SDN BHD<br>CIMB FOR KHOR SWEE WAH @ KOH BEE LENG (PB)                                       | 1,385,169          | 2.13  |
| 8.  | TAN BOON PUN   | 1,210,500          | 1.86  |
| 9.  | KEY DEVELOPMENT SDN BERHAD   | 1,130,000          | 1.74  |
| 10. | CARTABAN NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE<br>(EFGBHK-TEMPATAN)           | 1,100,000          | 1.69  |
| 11. | TAN BAN LEONG  | 1,055,307          | 1.62  |
| 12. | TAN BENG KEONG   | 1,055,307          | 1.62  |
| 13. | TAN YING XIU   | 964,400            | 1.48  |
| 14. | WONG YU @ WONG WING YU   | 891,500            | 1.37  |
| 15. | WONG YU @ WONG WING YU   | 872,400            | 1.34  |
| 16. | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TAN HENG CHEW (E-KLC)                             | 722,000            | 1.11  |
| 17. | GAN TENG SIEW REALTY SDN BERHAD  | 692,500            | 1.06  |
| 18. | TAN CHEE KEONG   | 682,960            | 1.05  |

Deemed interest by virtue of interests in Tan Chong Consolidated Sdn Bhd ("TCC") and Wealthmark Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 ("the Act").

Deemed interest by virtue of interest in TCC pursuant to Section 8(4) of the Act.

# **ANALYSIS OF SHAREHOLDINGS**

AS AT 31 MARCH 2022 cont'd

### THIRTY LARGEST SHAREHOLDERS (cont'd)

|     | Name   | No. of Shares Held | %*    |
|-----|--|--------------------|-------|
| 19. | TAN HOE PIN  | 682,960            | 1.05  |
| 20. | UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK               | 651,200            | 1.00  |
| 21. | CHINCHOO INVESTMENT SDN BERHAD   | 583,700            | 0.90  |
| 22. | TAN HOE PIN  | 442,405            | 0.68  |
| 23. | LEE LANG   | 406,784            | 0.62  |
| 24. | TAN CHEE KEONG   | 372,347            | 0.57  |
| 25. | KEY DEVELOPMENT SDN BERHAD   | 358,900            | 0.55  |
| 26. | ASSOCIATED ABRASIVES SDN BHD   | 331,600            | 0.51  |
| 27. | RENGO MALAY ESTATE SENDIRIAN BERHAD  | 330,000            | 0.51  |
| 28. | CARTABAN NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE<br>(EFGBHK-ASING) | 310,250            | 0.48  |
| 29. | CHAN KIM SENDIRIAN BERHAD  | 294,600            | 0.45  |
| 30. | CHAN OI LIN  | 290,000            | 0.44  |
|     | TOTAL  | 55,543,493         | 85.32 |

#### Note:

<sup>\*</sup> Percentage is based on total number of issued shares less treasury shares.

# GROUP PROPERTIES AS AT 31 DECEMBER 2021

| No | Location  | Description  | Land<br>Area<br>(sq feet) | Built-up<br>Area<br>(sq feet) |                         | Net Book<br>Value (RM<br>million) | Age of<br>Building<br>(years) | Date of<br>Acquisition | Year of<br>Revaluation |
|----|---|--|---------------------------|-------------------------------|-------------------------|-----------------------------------|-------------------------------|------------------------|------------------------|
| 1  | 18, Jalan Segambut Pusat<br>51200 Kuala Lumpur  | Office & vehicle store yard                                | 17,574                    | 18,160                        | Leasehold<br>16.6.2067  | 7.8                               | 45                            | 1.10.1977              | 2020                   |
| 2  | Lot 9, Jalan Delima 1/1<br>Subang Hi Tech Industrial Park<br>40000 Shah Alam Selangor   | Showroom,<br>office, workshop<br>& vehicle<br>storage yard | 98,349                    | 53,766                        | Freehold                | 24.8                              | 29                            | 20.12.1990             | 2020                   |
| 3  | 43, Jalan IMJ 3 Taman Industry<br>Malim Jaya 75050 Malacca  | Office and workshop  | 11,087                    | 3,700                         | Leasehold<br>18.11.2095 | 1.1                               | 25                            | 12.12.1996             | 2020                   |
| 4  | 19, Jalan Bertam 8 Taman Daya<br>81100 Johor Bahru Johor  | Office and<br>workshop                                     | 8,456                     | 7,553                         | Freehold                | 1.6                               | 29                            | 20.5.2000              | 2020                   |
| 5  | Lot 1A, Jalan Kemajuan<br>Seksyen 13 46200 Petaling Jaya<br>Selangor  | Office and warehouse                                       | 94,596                    | 33,900                        | Leasehold<br>10.6.2074  | 43.5                              | 47                            | 10.9.2004              | 2021                   |
| 6  | Lot 29, Jalan Delima 1/3<br>Subang Hi Tech Industrial Park<br>40000 Shah Alam Selangor  | Showroom,<br>office, workshop<br>& vehicle<br>storage yard | 125,871                   | 40,808                        | Freehold                | 28.9                              | 29                            | 2.3.2004               | 2020                   |
| 7  | Lot 22, Ground Floor Wisma<br>Sabah Jalan Tun Razak 88000<br>Kota Kinabalu Sabah  | Office lot   | -                         | 595                           | Leasehold<br>31.12.2071 | 0.6                               | 44                            | 23.10.2002             | 2020                   |
| 8  | No 3, Jalan Perusahaan<br>Perkhidmatan Pengkalan<br>Taman Pengkalan Maju<br>34700 Simpang, Taiping Perak  | Office building annexed with factory                       | 72,646                    | 57,464                        | Freehold                | 5.2                               | 21                            | 5.4.2007               | 2020                   |
| 9  | No 1, Jalan Metro Pudu Fraser<br>Business Park Off Jalan Yew<br>55100 Kuala Lumpur  | Commercial shop office                                     | 2,902                     | 16,296                        | Freehold                | 10.2                              | 14                            | 6.6.2008               | 2021                   |
| 10 | 610 Jalan Nilai 3/15<br>Kawasan Perindustrian Nilai 3<br>71800 Nilai, Negeri Sembilan   | Industrial<br>building                                     | 3,003                     | 3,003                         | Freehold                | 0.4                               | 22                            | 20.7.2004              | 2020                   |
| 11 | 18 VSIP II Street 2 Vietnam<br>Singapore Industrial Park II<br>(VSIP II) Binh Duong Industry<br>Service Urban Complex How<br>Dau Mot Town Bihn Duong<br>Province, Vietnam | Industrial land<br>& building                              | 135,108                   | 9,890                         | Leasehold<br>30.11.2055 | 8.3                               | 11                            | 2.12.2009              | 2020                   |
| 12 | 41, Jalan IMJ 3 Taman Industri<br>Malim Jaya 75250 Malacca  | Office and workshop  | 5,597                     | 5,200                         | Leasehold<br>18.11.2095 | 0.7                               | 25                            | 22.12.2014             | 2020                   |
| 13 | No 3, Jalan IM 3/16,<br>Bandar Indera Mahkota<br>25200 Kuantan, Pahang  | Office and<br>workshop                                     | 18,406                    | 12,870                        | Leasehold<br>11.6.2062  | 2.4                               | 13                            | 28.10.2016             | 2020                   |

# STATEMENT ON DIRECTORS' RESPONSIBILITY

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company and their financial performance and cash flows for the financial year.

In preparing the financial statements for the year ended 31 December 2021, the Directors have:

- adopted the appropriate accounting policies, which are consistently applied;
- 2. made judgments and estimates that are reasonable and prudent; and
- ensured that the applicable approved accounting standards in Malaysia and provisions of the Companies Act, 2016 are complied with.

The Directors have the responsibility for ensuring that the Company and the Group keep proper and adequate accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and to ensure that the financial statements comply with the requirements of the Companies Act, 2016. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

# **DIRECTORS' REPORT**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

#### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in notes 8, 9 and 10 to the financial statements, respectively. There have been no significant changes in the nature of these activities during the financial year.

#### **RESULTS**

|   | Group<br>RM'000 | Company<br>RM'000 |
|---|-----------------|-------------------|
| (Loss)/Profit for the financial year attributable to: |                 |                   |
| Owners of the Company                                 | (32,445)        | 5,151             |
| Non-controlling interests                             | (1,258)         | -                 |
| (Loss)/Profit for the financial year                  | (33,703)        | 5,151             |

#### DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend for the current financial year.

#### **SHARES AND DEBENTURES**

There was no issuance of shares or debentures during the financial year.

#### **SHARE OPTIONS**

No option was granted to any person to take up unissued shares of the Company during the financial year.

#### **RESERVES AND PROVISIONS**

All material transfers, if any, to or from reserves and provisions during the financial year are disclosed in the financial statements.



## **DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### TREASURY SHARES

At the Annual General Meeting held fully virtual on 4 June 2021, the shareholders of the Company had granted mandate to the Company to purchase its own shares. During the financial year, the Company did not repurchase its own shares and none of the existing treasury shares held was cancelled, sold or used for such other purposes permitted under the Companies Act 2016.

As at 31 December 2021, the Company held 2,099,600 shares as treasury shares out of its total issued and paid-up share capital.

#### **SUBSIDIARIES**

Details of the subsidiaries are set out in note 8 to the financial statements.

#### **DIRECTORS**

The directors in office during the period commencing from the beginning of the financial year to the date of this report are:

Dato' Tan Heng Chew
Tan Keng Meng
Datuk Abdullah bin Abdul Wahab
Chin Ten Hoy
Lee Min On
Soh Eng Hooi
Chin Yen Song (Appointed on 25 November 2021)

#### LIST OF DIRECTORS OF SUBSIDIARIES

The directors (excluding directors who are also directors of the Company) in office of the subsidiaries during the period commencing from the beginning of the financial year to the date of this report are:

Ang Lay Bee

Christopher Tan Kok Leong

Datuk Saharudin bin Muhamad Toha

Goh Kar Hua Ho Wai Ming Hout Kimmeng

Lee Kim Hay @ Tong Ah See

Lee King Soon

Nicholas Tan Chye Seng

Ng Kiat Seng Ong Hua Ann Sai Chang Choon Tse Pei Chen Wong King Yoon Yap Kiam Beng Yeap Ling Weng

Desmond Hang Chai Wei

Tan Soon Huat

Alagasan A/L Gadigaselam

Tung Swee Har Ke Bee Kian

Abdul Rahman Bin Mohamed

Lee Koon Seng Wan Chun Shong

Cheng Mun Kean (Appointed on 28 April 2021) Chew Yoke Tong (Appointed on 10 March 2022) Dato' Cheah Sam Kip (Deceased on 13 May 2021) Phua Khim Hiang (Resigned on 9 June 2021)

Dato' Hardev Singh A/L Pritam Singh (Resigned on 31 March 2022)

# DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### **DIRECTORS' INTERESTS IN SHARES**

The following directors, who held office at the end of the financial year, had interests in shares as follows:

|                       | Number of ordinary shares |             |          |               |
|-----------------------|---------------------------|-------------|----------|---------------|
|                       | At 1.1.2021               | Acquisition | Disposal | At 31.12.2021 |
| The Company           |                           |             |          |               |
| Dato' Tan Heng Chew   |                           |             |          |               |
| - direct interest     | 4,326,233                 | 155,200     | -        | 4,481,433     |
| - indirect interest ^ | 27,844,509                | -           | -        | 27,844,509    |
| - indirect interest # | 2,995,419                 | -           | -        | 2,995,419     |
| Tan Keng Meng         |                           |             |          |               |
| - direct interest     | 100                       | -           | -        | 100           |

- ^ Indirect interest by virtue of interests in Tan Chong Consolidated Sdn Bhd and Wealthmark Holdings Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.
- # Indirect interest by virtue of interests held by spouse and daughter pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of his interests in shares in the Company, Dato' Tan Heng Chew is deemed to have interests in shares in all the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year held any interest in shares in the Company and its related corporations during the financial year.

#### **DIRECTORS' BENEFITS**

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors as disclosed in note 36(a) and (b) to the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to have arisen from transactions disclosed in note 35(c) to the financial statements.

The directors and officers of the Company, subsidiaries and jointly controlled entities were insured against certain liability under a Directors' and Officers' liability insurance policy maintained on a group basis for up to a maximum of RM30,000,000 in aggregate. During the financial year, the total amount of insurance premium paid by the Company and its directors for the Directors' and Officers' liability insurance policy was RM39,560 and RM2,081 respectively.

# **DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### CONSOLIDATION OF A SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END

Due to the local requirements in Myanmar, MAT Transportation Solution (Myanmar) Company Limited ("MATTS"), a foreign subsidiary of the Company is adopting 30 September as its statutory financial year end, which does not coincide with that of the Company. The directors of the Company have been granted approval by Companies Commission of Malaysia under Section 247(3) of the Companies Act 2016 for MATTS to adopt a financial year end of 30 September, which does not coincide with that of the Company of 31 December. Management financial statements of MATTS made up to 31 December 2021 have been used for the purpose of preparing the consolidation financial statements of the Group.

#### OTHER INFORMATION

Before the financial statements were made out, the directors took reasonable steps:

- (i) to ascertain that appropriate action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company or its subsidiaries has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiaries to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

# DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### **AUDITORS**

Auditors' remuneration is set out in note 30 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

#### APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

TAN KENG MENG

Director

**CHIN YEN SONG** 

Director

Kuala Lumpur

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia)

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Warisan TC Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 152.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (on *Professional Ethics, Conduct and Practice*) of the *Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### (a) Group

#### (i) Inventories

Refer to Significant Accounting Judgements and Estimations in note 4 to the financial statements and Inventories in note 15 to the financial statements.

#### The Risk:

As at 31 December 2021, the inventories of the Group stood at RM133,840,000. According to MFRS 102 *Inventories* and the Group's accounting policy, inventories are measured at the lower of cost and net realisable value. The cost of inventories may not be recoverable, if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable, if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. At the end of the financial year, management applied judgement in estimating the net realisable value of the inventories. Estimates of net realisable value were based on the most reliable evidence available at the time the estimates were made, of the amount the inventories were expected to realise. These estimates took into consideration fluctuations of price or cost directly relating to events occurred after the end of the financial year to the extent that such events confirmed conditions existing at the end of the financial year.

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia) cont'd

Due to the significance of inventories of the Group and the involvement of management's judgements and estimations in measuring the inventories, this is considered a key audit matter.

#### Our Response:

Our audit procedures included, among others, the following:

- We obtained an understanding of the Group's process in estimating the net realisable value of the inventories; and the write down or write off of inventories, where applicable.
- We attended and observed the physical inventory count at the end of the financial year, including management's process in assessing the condition of inventories.
- We tested net realisable value of inventories estimated by management, based on available evidence of the amount the inventories were expected to realise. The evidence obtained including prices or costs of transactions or events occurred after the end of the financial year.
- We tested carrying amount of inventories, to assess whether inventories are carried at the lower of cost and net realisable value.
- We tested, where applicable, the adequacy of write down or write off of inventories which were assessed by management as slow moving, damaged or obsolete items.

#### (ii) Trade receivables

Refer to Significant Accounting Judgements and Estimations in note 4 to the financial statements and Trade Receivables in notes 13 and 16 to the financial statements.

#### The Risk:

As at 31 December 2021, the trade receivables of the Group stood at RM81,012,000. According to MFRS 9 Financial Instruments and the Group's accounting policies, management applies the simplified approach in the measurement of loss allowance for trade receivables. Accordingly, provision matrix is used to estimate the expected credit losses taking into account historical credit loss occurrences, assessment of trade receivables' ability to pay the outstanding balances and where appropriate, adjusted with forward-looking information.

Due to the significance of trade receivables of the Group and the complexity involved in the measurement of expected credit losses, this is considered a key audit matter.

#### Our Response:

Our audit procedures included, among others, the following:

- We obtained an understanding of the Group's methodologies and assumptions used by management in the measurement of expected credit losses.
- We evaluated the methodologies and assumptions used by management in the measurement of expected credit losses.
- We assessed trade receivables' ageing profile by evaluating the accuracy of aged buckets.
- We assessed remaining credit exposure by way of taking into consideration of collections after the end of the financial year.

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia) cont'd

#### (b) Company

We do not have any key audit matters in connection with the audit of the separate financial statements of the Company to be communicated in this report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia) cont'd

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WARISAN TC HOLDINGS BERHAD Registration No.: 199701009338 (424834-W) (Incorporated in Malaysia) cont'd

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in note 8 to the financial statements.

## **OTHER MATTER**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT 201706000496 (LLP0010622-LCA) AF 001954 Chartered Accountants CHONG FAH YOW 03004/07/2022 J Chartered Accountant

Kuala Lumpur

11 April 2022

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2021

|  | Note | 2021<br>RM′000 | 2020<br>RM'000<br>(Restated) |
|--|------|----------------|------------------------------|
| ASSETS                                     |      |                |                              |
| NON-CURRENT ASSETS                         |      |                |                              |
| Property, plant and equipment              | 5    | 194,196        | 227,122                      |
| Right-of-use assets                        | 6    | 24,210         | 25,480                       |
| Investment property                        | 7    | 43,500         | 43,500                       |
| Investments in associates                  | 9    | 497            | 815                          |
| Investments in jointly controlled entities | 10   | 30,760         | 35,078                       |
| Intangible assets                          | 11   | 10,715         | 12,232                       |
| Deferred tax asset                         | 12   | 6,098          | 6,195                        |
| Finance lease receivables                  | 13   | 2,669          | 2,923                        |
| Other investments                          | 14   | 186            | 6                            |
| TOTAL NON-CURRENT ASSETS                   |      | 312,831        | 353,351                      |
| CURRENT ASSETS                             |      |                |                              |
| Inventories                                | 15   | 133,840        | 113,894                      |
| Trade and other receivables                | 16   | 111,092        | 100,411                      |
| Derivative financial asset                 | 26   | 11             | -                            |
| Current tax asset                          |      | 3,159          | 1,673                        |
| Short term deposits                        | 17   | 4,434          | 6,224                        |
| Fixed deposits                             | 18   | 50,133         | 61,074                       |
| Cash and bank balances                     |      | 47,646         | 48,610                       |
| TOTAL CURRENT ASSETS                       | _    | 350,315        | 331,886                      |
| TOTAL ASSETS                               | _    | 663,146        | 685,237                      |

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2021 cont'd

| ı  | Note  | 2021<br>RM′000 | 2020<br>RM'000<br>(Restated) |
|--|-------|----------------|------------------------------|
| EQUITY AND LIABILITIES                             |       |                |                              |
| EQUITY   |       |                |                              |
| Share capital                                      | 19    | 67,200         | 67,200                       |
| Treasury shares                                    | 20    | (4,213)        | (4,213)                      |
|  | 21(a) | (40,999)       | (40,999)                     |
| Translation reserve                                | 21(b) | 2,939          | 2,928                        |
|  | 21(c) | (253)          | (334)                        |
| Revaluation reserve                                | 21(d) | 67,811         | 68,336                       |
| Retained earnings                                  | _     | 149,698        | 181,606                      |
| Total equity attributable to owners of the Company |       | 242,183        | 274,524                      |
| Non-controlling interests                          |       | 23,093         | 24,379                       |
| TOTAL EQUITY                                       |       | 265,276        | 298,903                      |
| NON-CURRENT LIABILITIES                            |       |                |                              |
| Lease liabilities                                  | 6     | 388            | 888                          |
| Loans and borrowings                               | 22    | 5,415          | 10,436                       |
| Retirement benefits obligation                     | 23    | 12,071         | 10,918                       |
| Deferred tax liability                             | 12    | 15,912         | 14,671                       |
| TOTAL NON-CURRENT LIABILITIES                      |       | 33,786         | 36,913                       |
| CURRENT LIABILITIES                                |       |                |                              |
| Contract liabilities                               | 24    | 10,447         | 11,307                       |
| Trade and other payables                           | 25    | 131,347        | 132,138                      |
| Lease liabilities                                  | 6     | 3,091          | 3,684                        |
| Loans and borrowings                               | 22    | 217,735        | 200,425                      |
| Current tax liability                              |       | 1,122          | 1,427                        |
| Derivative financial liability                     | 26    | 342            | 440                          |
| TOTAL CURRENT LIABILITIES                          | _     | 364,084        | 349,421                      |
| TOTAL LIABILITIES                                  | _     | 397,870        | 386,334                      |
| TOTAL EQUITY AND LIABILITIES                       |       | 663,146        | 685,237                      |

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

|  | Note | 2021<br>RM'000 | 2020<br>RM'000 |
|--|------|----------------|----------------|
| Revenue  | 27   | 361,965        | 295,278        |
| Cost of sales  |      | (290,867)      | (235,625)      |
| Gross profit   |      | 71,098         | 59,653         |
| Other income and gains   |      | 5,041          | 3,415          |
| Selling and distribution expenses  |      | (31,144)       | (34,556)       |
| Administrative and general expenses  |      | (62,887)       | (70,519)       |
| Loss from operations   |      | (17,892)       | (42,007)       |
| Finance income   | 28   | 1,262          | 1,286          |
| Finance costs  | 29   | (6,774)        | (9,287)        |
| Net finance costs  |      | (5,512)        | (8,001)        |
| Fair value loss on investment property                                       |      | -              | (1,900)        |
| Share of results of equity accounted associates, net of tax                  | 9    | (318)          | (484)          |
| Share of results of equity accounted jointly controlled entities, net of tax | 10   | (3,749)        | (6,484)        |
| Loss before tax  | 30   | (27,471)       | (58,876)       |
| Tax expense  | 31   | (6,232)        | (6,681)        |
| Loss for the financial year  | _    | (33,703)       | (65,557)       |
| Other comprehensive income/(loss), net of tax:                               |      |                |                |
| Items that are or may be reclassified subsequently to profit or loss:        |      |                |                |
| Change in fair value of cash flow hedge                                      | 32   | 81             | (47)           |
| Exchange differences on translation of foreign operations                    | 32   | 11             | (419)          |
|  |      | 92             | (466)          |



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

|  | Note | 2021<br>RM'000 | 2020<br>RM'000 |
|--|------|----------------|----------------|
| Items that will not be reclassified subsequently to profit or loss:  |      |                |                |
| Remeasurement of retirement benefits obligation                      | 32   | 21             | 145            |
| Revaluation of property, plant and equipment and right-of-use assets | 32   | -              | 14,624         |
| Share of other comprehensive loss of jointly controlled entities     | 32   | (9)            | (7)            |
|  | _    | 12             | 14,762         |
| Other comprehensive income for the financial year                    | _    | 104            | 14,296         |
| Total comprehensive loss for the financial year                      |      | (33,599)       | (51,261)       |
| Loss for the financial year attributable to:                         |      |                |                |
| Owners of the Company  |      | (32,445)       | (63,781)       |
| Non-controlling interests  |      | (1,258)        | (1,776)        |
| Loss for the financial year  |      | (33,703)       | (65,557)       |
| Basic loss per share (sen)   | 33   | (50)           | (98)           |
| Total comprehensive loss for the financial year attributable to:     |      |                |                |
| Owners of the Company  |      | (32,341)       | (49,485)       |
| Non-controlling interests  |      | (1,258)        | (1,776)        |
| Total comprehensive loss for the financial year                      |      | (33,599)       | (51,261)       |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

|  |      |                            |                              |                             | itable to Ov<br>stributable -    |                              |                                  | Distributable                  |                 |  |                           |
|--|------|----------------------------|------------------------------|-----------------------------|----------------------------------|------------------------------|----------------------------------|--------------------------------|-----------------|--|---------------------------|
|  | Note | Share<br>capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Merger<br>reserve<br>RM'000 | Translation<br>reserve<br>RM'000 | Hedging<br>reserve<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
| At 1 January 2020  |      | 67,200                     | (4,213)                      | (40,999)                    | 3,347                            | (287)                        | 54,104                           | 244,857                        | 324,009         | 11,155                                     | 335,164                   |
| Change in fair value of cash flow hedge                                    |      | -                          | -                            | -                           | -                                | (47)                         | -                                | -                              | (47)            | -  | (47)                      |
| Exchange differences on<br>translation of foreign<br>operations            |      | -                          | -                            | -                           | (419)                            | -                            | -                                | -                              | (419)           | -  | (419)                     |
| Remeasurement of retirement benefits obligation                            |      | -                          | -                            | -                           | -                                | -                            | -                                | 145                            | 145             | -  | 145                       |
| Revaluation of property,<br>plant and equipment<br>and right-of-use assets |      | -                          | -                            | -                           | -                                | -                            | 14,624                           | -                              | 14,624          | -  | 14,624                    |
| Share of other<br>comprehensive loss<br>of jointly controlled<br>entities  |      | -                          | -                            | -                           | -                                | -                            | -                                | (7)                            | (7)             | -  | (7)                       |
| Other comprehensive<br>(loss)/income for the<br>financial year             |      | -                          | -                            | -                           | (419)                            | (47)                         | 14,624                           | 138                            | 14,296          | -  | 14,296                    |
| Loss for the financial year  |      | -                          | -                            | -                           | -                                | -                            | -                                | (63,781)                       | (63,781)        | (1,776)                                    | (65,557)                  |
| Total comprehensive (loss)/<br>income for the financial<br>year            |      | -                          | -                            | -                           | (419)                            | (47)                         | 14,624                           | (63,643)                       | (49,485)        | (1,776)                                    | (51,261)                  |
| Investments by non-<br>controlling interests                               |      | -                          | -                            | -                           | -                                | _                            | -                                | -                              | -               | 15,000                                     | 15,000                    |
| Portion of revaluation reserve transferred through depreciation            |      |                            |                              |                             |                                  |                              | (392)                            | 392                            |                 |  |                           |
| At 31 December 2020  |      | 67,200                     | (4,213)                      | (40,999)                    | 2,928                            | (334)                        | 68,336                           | 181,606                        | 274,524         | 24,379                                     | 298,903                   |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

cont'd

|   |      |                            |                              |          | itable to Ov<br>stributable - |       |                                  | Distributable |                 |  |                           |
|---|------|----------------------------|------------------------------|----------|-------------------------------|-------|----------------------------------|---------------|-----------------|--|---------------------------|
|   | Note | Share<br>capital<br>RM'000 | Treasury<br>shares<br>RM'000 |          |                               |       | Revaluation<br>reserve<br>RM'000 |               | Total<br>RM'000 | Non-<br>controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
| At 1 January 2021   |      | 67,200                     | (4,213)                      | (40,999) | 2,928                         | (334) | 68,336                           | 181,606       | 274,524         | 24,379                                     | 298,903                   |
| Change in fair value of cash flow hedge                                   |      | -                          | -                            | -        | -                             | 81    | -                                | -             | 81              | -  | 81                        |
| Exchange differences on<br>translation of foreign<br>operations           |      | -                          | -                            | -        | 11                            | -     | -                                | -             | 11              | -  | 11                        |
| Remeasurement of retirement benefits obligation                           |      | -                          | -                            | -        | -                             | -     | -                                | 21            | 21              | -  | 21                        |
| Share of other<br>comprehensive loss<br>of jointly controlled<br>entities |      | -                          | -                            | -        | -                             | -     | -                                | (9)           | (9)             | -  | (9)                       |
| Other comprehensive income for the financial year                         |      | _                          | -                            | -        | 11                            | 81    | -                                | 12            | 104             | -  | 104                       |
| Loss for the financial year   |      | -                          | -                            | -        | -                             | -     | -                                | (32,445)      | (32,445)        | (1,258)                                    | (33,703)                  |
| Total comprehensive income/(loss) for the financial year                  |      | -                          | -                            | -        | 11                            | 81    | -                                | (32,433)      | (32,341)        | (1,258)                                    | (33,599)                  |
| Acquisition of additional interest from non-controlling interests         |      | -                          | -                            | -        | -                             | -     | -                                | -             | -               | (28)                                       | (28)                      |
| Portion of revaluation reserve transferred through depreciation           |      | -                          | -                            | -        | -                             | -     | (525)                            | 525           | -               | -  | -                         |
| At 31 December 2021   |      | 67,200                     | (4,213)                      | (40,999) | 2,939                         | (253) | 67,811                           | 149,698       | 242,183         | 23,093                                     | 265,276                   |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

|  | Note      | 2021<br>RM'000 | 2020<br>RM′000 |
|--|-----------|----------------|----------------|
| OPERATING ACTIVITIES   |           |                |                |
| Loss before tax  |           | (27,471)       | (58,876)       |
| Adjustments for:   |           |                |                |
| Allowance for doubtful debts                                     | 16(c)     | 2,323          | 2,604          |
| Amortisation of intangible assets                                | 11        | 626            | 635            |
| Bad debts written off  |           | 145            | 149            |
| Depreciation of property, plant and equipment                    | 5         | 40,072         | 46,101         |
| Depreciation of right-of-use assets                              | 6         | 4,106          | 4,821          |
| Fair value loss on investment property                           | 7         | -              | 1,900          |
| Gain on disposal of assets held for rental                       |           | (6,389)        | (4,993)        |
| Gain on disposal of property, plant and equipment                |           | (207)          | (244)          |
| Impairment loss on property, plant and equipment                 | 5         | 140            | 68             |
| Intangible assets written off                                    | 11        | 1,365          | -              |
| Interest expense   | 29        | 6,774          | 9,287          |
| Interest income  | 28        | (1,262)        | (1,286)        |
| Inventories written down   | 15(b)(ii) | 2,832          | 432            |
| Net unrealised loss on foreign exchange                          |           | 397            | 49             |
| Property, plant and equipment written off                        | 5         | 269            | 347            |
| Retirement benefits expense                                      | 23        | 1,452          | 1,651          |
| Reversal of allowance for doubtful debts                         | 16(c)     | (1,204)        | (415)          |
| Share of results of equity accounted associates                  | 9         | 318            | 484            |
| Share of results of equity accounted jointly controlled entities | 10        | 3,749          | 6,484          |
| Operating profit before working capital changes                  |           | 28,035         | 9,198          |
| Changes in inventories   |           | (23,183)       | 38,646         |
| Changes in receivables   |           | (11,710)       | 56,974         |
| Changes in payables  |           | (5,801)        | (51,028)       |
| Cash (used in)/generated from operations                         |           | (12,659)       | 53,790         |
| Interest received  |           | 778            | 728            |
| Proceeds from disposal of assets held for rental                 |           | 26,290         | 48,007         |
| Retirement benefits paid   | 23        | (272)          | (774)          |
| Tax paid, net of refunds   |           | (6,717)        | (4,302)        |
| Net cash generated from operating activities                     |           | 7,420          | 97,449         |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

cont'd

| INVESTING ACTIVITIES  | (28)<br>(474) |           |
|---|---------------|-----------|
|   |               |           |
| Acquisition of additional interest from non-controlling interests | (474)         | -         |
| Acquisition of intangible assets 11                               | (-17-1)       | (290)     |
| Acquisition of other investments 14                               | (180)         | -         |
| Acquisition of property, plant and equipment 5(b)                 | (25,220)      | (31,048)  |
| Dividend received from jointly controlled entities 10             | 560           | 560       |
| Interest received   | 484           | 558       |
| Placement of fixed deposits                                       | (23,821)      | (2,955)   |
| Proceeds from disposal of property, plant and equipment           | 774           | 597       |
| Withdrawal/(Placement) of short term deposits                     | 2,389         | (3,978)   |
| Net cash used in investing activities                             | (45,516)      | (36,556)  |
| FINANCING ACTIVITIES  |               |           |
| Drawdowns of bankers' acceptances                                 | 123,856       | 60,743    |
| Drawdowns of hire purchases                                       | 4,138         | 5,398     |
| Drawdowns of revolving credits                                    | 206,000       | 202,000   |
| Drawdowns of term loans   | 414           | 3,111     |
| Interest paid   | (6,518)       | (8,952)   |
| Investments by non-controlling interests                          | -             | 15,000    |
| Repayments of bankers' acceptances                                | (93,038)      | (84,017)  |
| Repayments of term loans  | (1,482)       | (600)     |
| Repayments of hire purchases                                      | (11,022)      | (21,816)  |
| Repayments of lease liabilities 6                                 | (3,827)       | (4,841)   |
| Repayments of revolving credits —                                 | (216,500)     | (207,000) |
| Net cash generated from/(used in) financing activities            | 2,021         | (40,974)  |
| NET CHANGES IN CASH AND CASH EQUIVALENTS                          | (36,075)      | 19,919    |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD                         | 95,299        | 75,421    |
| EFFECT OF EXCHANGE RATE FLUCTUATION ON CASH AND CASH EQUIVALENTS  | 1,025         | (41)      |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD                         | 60,249        | 95,299    |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

cont'd

|  | Note | 2021<br>RM'000 | 2020<br>RM'000 |
|--|------|----------------|----------------|
| Cash and cash equivalents comprise the followings: |      |                |                |
| Short term deposits                                | 17   | 4,434          | 6,224          |
| Fixed deposits                                     | 18   | 50,133         | 61,074         |
| Cash and bank balances                             |      | 47,646         | 48,610         |
| Bank overdrafts                                    | 22   | (803)          | (880)          |
|  | _    | 101,410        | 115,028        |
| Less:  |      |                |                |
| Surplus funds placed in short term deposits        |      | (3,597)        | (5,986)        |
| Surplus funds withdrawn from fixed deposits        |      | (37,564)       | (13,743)       |
|  |      | 60,249         | 95,299         |

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

| NON-CURRENT ASSETS  |  | Note    | 2021<br>RM'000    | 2020<br>RM'000    |
|---|--|---------|-------------------|-------------------|
| Property, plant and equipment   5   3   149,048     Investments in subsidiaries   8   150,963   149,048     Investments in jointly controlled entities   10   24,568   24,568     Deferred tax asset   12   375   375     TOTAL NON-CURRENT ASSETS   175,909   173,994     CURRENT ASSETS   175,909   173,994     CURRENT ASSETS   2   1     Current tax asset   2   1     Even deposits   18   -   164     Cash and bank balances   18   -   164     Cash and bank balances   1   11,565   7,990     TOTAL CURRENT ASSETS   1   15,655   7,990     TOTAL ASSETS   1   187,474   181,984     EQUITY AND LIABILITIES   1   11,887   106,736     Treasury shares   20   (4,213)   (4,213)     Retained earnings   1   11,887   106,736     TOTAL EQUITY   174,874   169,723     TOTAL EQUITY   174,874   174,874   174,874     TOTAL EQUITY   174,874   174,874     TOTAL EQUITY   174,874   174,874     TOTAL EQUITY   174,874   174,874     TOTAL EQUITY   174,874   174,874     TOTAL EQUITY | ASSETS   |         |                   |                   |
| Investments in subsidiaries   8   | NON-CURRENT ASSETS   |         |                   |                   |
| CURRENT ASSETS           Other receivables         16         7,113         6,967           Current tax asset         2         1           Short term deposits         17         - 211           Fixed deposits         18         - 164           Cash and bank balances         4,450         647           TOTAL CURRENT ASSETS         11,565         7,990           TOTAL ASSETS         187,474         181,984           EQUITY         Share capital         19         67,200         67,200           Treasury shares         20         (4,213)         (4,213)           Retained earnings         111,887         106,736           TOTAL EQUITY         174,874         169,723           NON-CURRENT LIABILITIES         23         1,882         1,882           Retirement benefits obligation         23         1,882         1,882           Other payables         25         5,189         5,189           TOTAL NON-CURRENT LIABILITIES         7,071         7,071           CURRENT LIABILITIES         5,529         5,190           CURRENT LIABILITIES         25         5,529         5,190           TOTAL NON-CURRENT LIABILITIES         25         5,5   | Investments in subsidiaries Investments in jointly controlled entities | 8<br>10 | 150,963<br>24,568 | 149,048<br>24,568 |
| Other receivables         16         7,113         6,967           Current tax asset         2         1           Short term deposits         17         -         211           Fixed deposits         18         -         164           Cash and bank balances         4,450         647           TOTAL CURRENT ASSETS         11,565         7,990           TOTAL ASSETS         187,474         181,984           EQUITY         Share capital         19         67,200         67,200           Treasury shares         20         (4,213)         (4,213)           Retained earnings         111,887         106,736           TOTAL EQUITY         174,874         169,723           NON-CURRENT LIABILITIES         23         1,882         1,882           Other payables         25         5,189         5,189           TOTAL NON-CURRENT LIABILITIES         7,071         7,071         7,071           CURRENT LIABILITY         CURRENT LIABILITIES         25         5,529         5,190           Other payables         25         5,529         5,190           Other payables         25         5,529         5,190   | TOTAL NON-CURRENT ASSETS   | _       | 175,909           | 173,994           |
| Current tax asset         2         1           Short term deposits         17         -         211           Fixed deposits         18         -         164           Cash and bank balances         4,450         647           TOTAL CURRENT ASSETS         11,565         7,990           TOTAL ASSETS         187,474         181,984           EQUITY         8         67,200         67,200           EQUITY         19         67,200         67,200           Treasury shares         20         (4,213)         (4,213)           Retained earnings         111,887         106,736           TOTAL EQUITY         174,874         169,723           NON-CURRENT LIABILITIES         23         1,882         1,882           Other payables         25         5,189         5,189           TOTAL NON-CURRENT LIABILITIES         7,071         7,071           CURRENT LIABILITIES         25         5,529         5,190           CURRENT LIABILITIES         25         5,529         5,190           Other payables         25         5,529         5,190           CURRENT LIABILITIES         12,600         12,261  | CURRENT ASSETS   | _       |                   |                   |
| TOTAL ASSETS         187,474         181,984           EQUITY           Share capital         19         67,200         67,200           Treasury shares         20         (4,213)         (4,213)           Retained earnings         111,887         106,736           TOTAL EQUITY         174,874         169,723           NON-CURRENT LIABILITIES         23         1,882         1,882           Other payables         25         5,189         5,189           TOTAL NON-CURRENT LIABILITIES         7,071         7,071           CURRENT LIABILITY         25         5,529         5,190           TOTAL LIABILITIES         25         5,529         5,190           TOTAL LIABILITIES         25         5,529         5,190  | Current tax asset Short term deposits Fixed deposits                   | 17      | 2<br>-<br>-       | 1<br>211<br>164   |
| EQUITY AND LIABILITIES         EQUITY         Share capital       19       67,200       67,200         Treasury shares       20       (4,213)       (4,213)         Retained earnings       111,887       106,736         TOTAL EQUITY       174,874       169,723         NON-CURRENT LIABILITIES         Retirement benefits obligation       23       1,882       1,882         Other payables       25       5,189       5,189         TOTAL NON-CURRENT LIABILITIES       7,071       7,071         CURRENT LIABILITY         Other payables       25       5,529       5,190         TOTAL LIABILITIES       12,600       12,261  | TOTAL CURRENT ASSETS   |         | 11,565            | 7,990             |
| EQUITY         Share capital Treasury shares (April 19) Treasury shares (April 111,887) (   | TOTAL ASSETS   | _       | 187,474           | 181,984           |
| Share capital       19       67,200       67,200         Treasury shares       20       (4,213)       (4,213)         Retained earnings       111,887       106,736         TOTAL EQUITY       174,874       169,723         NON-CURRENT LIABILITIES         Retirement benefits obligation       23       1,882       1,882         Other payables       25       5,189       5,189         TOTAL NON-CURRENT LIABILITIES       7,071       7,071         CURRENT LIABILITY         Other payables       25       5,529       5,190         TOTAL LIABILITIES       12,600       12,261  | EQUITY AND LIABILITIES   | _       |                   |                   |
| Treasury shares       20       (4,213)       (4,213)         Retained earnings       111,887       106,736         TOTAL EQUITY       174,874       169,723         NON-CURRENT LIABILITIES         Retirement benefits obligation       23       1,882       1,882         Other payables       25       5,189       5,189         TOTAL NON-CURRENT LIABILITIES       7,071       7,071         CURRENT LIABILITY         Other payables       25       5,529       5,190         TOTAL LIABILITIES       12,600       12,261   | EQUITY   |         |                   |                   |
| NON-CURRENT LIABILITIES         Retirement benefits obligation       23       1,882       1,882         Other payables       25       5,189       5,189         TOTAL NON-CURRENT LIABILITIES       7,071       7,071         CURRENT LIABILITY       25       5,529       5,190         TOTAL LIABILITIES       12,600       12,261  | Treasury shares  |         | (4,213)           | (4,213)           |
| Retirement benefits obligation       23       1,882       1,882         Other payables       25       5,189       5,189         TOTAL NON-CURRENT LIABILITIES       7,071       7,071         CURRENT LIABILITY       25       5,529       5,190         TOTAL LIABILITIES       12,600       12,261  | TOTAL EQUITY   |         | 174,874           | 169,723           |
| Other payables         25         5,189         5,189           TOTAL NON-CURRENT LIABILITIES         7,071         7,071           CURRENT LIABILITY         25         5,529         5,190           TOTAL LIABILITIES         12,600         12,261  | NON-CURRENT LIABILITIES  |         |                   |                   |
| CURRENT LIABILITY         25         5,529         5,190           TOTAL LIABILITIES         12,600         12,261  | •  |         |                   |                   |
| Other payables         25         5,529         5,190           TOTAL LIABILITIES         12,600         12,261   | TOTAL NON-CURRENT LIABILITIES  | _       | 7,071             | 7,071             |
| TOTAL LIABILITIES 12,600 12,261   | CURRENT LIABILITY  | _       |                   |                   |
|   | Other payables   | 25      | 5,529             | 5,190             |
| TOTAL EQUITY AND LIABILITIES 187,474 181,984  | TOTAL LIABILITIES  |         | 12,600            | 12,261            |
|   | TOTAL EQUITY AND LIABILITIES   |         | 187,474           | 181,984           |

The accompanying notes form an integral part of the financial statements

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

|  | Note | 2021<br>RM'000 | 2020<br>RM'000 |
|--|------|----------------|----------------|
| Revenue  | 27   | 7,642          | 4,563          |
| Other income and gains   |      | 152            | -              |
| Administrative and general expenses                                |      | (2,433)        | (12,506)       |
| Profit/(Loss) from operations                                      |      | 5,361          | (7,943)        |
| Finance income   | 28   | 45             | 47             |
| Finance costs  | 29   | (255)          | (362)          |
| Net finance costs  |      | (210)          | (315)          |
| Profit/(Loss) before tax   | 30   | 5,151          | (8,258)        |
| Tax expense  | 31   | -              | (8)            |
| Profit/(Loss) for the financial year                               |      | 5,151          | (8,266)        |
| Other comprehensive income, net of tax                             |      |                |                |
| Item that will not be reclassified subsequently to profit or loss: |      |                |                |
| Remeasurement of retirement benefits obligation                    | 32   | -              | 75             |
| Total comprehensive income/(loss) for the financial year           | _    | 5,151          | (8,191)        |
|  |      |                |                |

## **STATEMENT OF CHANGES IN EQUITY** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

|  |      | < Non-distributable> |                 | Distributable     |                 |
|--|------|----------------------|-----------------|-------------------|-----------------|
|  |      | Share<br>capital     | Treasury shares | Retained earnings | Total<br>equity |
|  | Note | RM'000               | RM'000          | RM'000            | RM'000          |
| At 1 January 2020  |      | 67,200               | (4,213)         | 114,927           | 177,914         |
| Loss for the financial year                                  |      | -                    | -               | (8,266)           | (8,266)         |
| Remeasurement of retirement benefits obligation              |      | -                    | -               | 75                | 75              |
| Total comprehensive loss for the financial year              |      | -                    | -               | (8,191)           | (8,191)         |
| At 31 December 2020  |      | 67,200               | (4,213)         | 106,736           | 169,723         |
| Profit and total comprehensive income for the financial year |      | -                    | -               | 5,151             | 5,151           |
| At 31 December 2021  |      | 67,200               | (4,213)         | 111,887           | 174,874         |

## **STATEMENT OF CASH FLOWS** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

|   | Note | 2021<br>RM'000 | 2020<br>RM'000 |
|---|------|----------------|----------------|
| OPERATING ACTIVITIES  |      |                |                |
| Profit/(Loss) before tax  |      | 5,151          | (8,258)        |
| Adjustments for:  |      |                |                |
| Depreciation of property, plant and equipment                   | 5    | 2              | 1              |
| Impairment loss on investments in subsidiaries                  | 8    | -              | 9,275          |
| Interest expense  | 29   | 255            | 362            |
| Interest income   | 28   | (45)           | (47)           |
| Property, plant and equipment written off                       | 5    | -              | 1              |
| Retirement benefits expense                                     | 23   | -              | 260            |
| Operating profit before working capital changes                 |      | 5,363          | 1,594          |
| Changes in receivables  |      | (146)          | 1              |
| Changes in payables   | _    | 339            | 574            |
| Cash generated from operations                                  |      | 5,556          | 2,169          |
| Tax paid  | _    | (1)            | (8)            |
| Net cash generated from operating activities                    | _    | 5,555          | 2,161          |
| INVESTING ACTIVITIES  |      |                |                |
| Acquisition of property, plant and equipment                    | 5    | (2)            | -              |
| Interest received   |      | 45             | 47             |
| Repayments from subsidiaries                                    |      | -              | 1,162          |
| Subscription of additional shares in subsidiaries               | 8    | (1,915)        | (6,000)        |
| Withdrawal/(Placement) of fixed deposits                        |      | 164            | (3)            |
| Withdrawal/(Placement) of short term deposits                   |      | 211            | (5)            |
| Net cash used in investing activities                           |      | (1,497)        | (4,799)        |
| FINANCING ACTIVITY  |      |                |                |
| Interest paid, representing net cash used in financing activity |      | (255)          | (362)          |
| NET CHANGES IN CASH AND BANK BALANCES                           |      | 3,803          | (3,000)        |
| CASH AND BANK BALANCES BROUGHT FORWARD                          |      | 647            | 3,647          |
| CASH AND BANK BALANCES CARRIED FORWARD                          | _    | 4,450          | 647            |

The accompanying notes form an integral part of the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. GENERAL INFORMATION

Warisan TC Holdings Berhad is a public company limited by way of shares and is incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are disclosed in page 2.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries, associates and jointly controlled entities are disclosed in notes 8, 9 and 10, respectively. There have been no significant changes in the nature of these activities during the financial year.

#### 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All amounts in the financial statements are rounded to the nearest thousand, unless otherwise stated.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, as stated in the significant accounting policies which are set out in note 3.

## Application of amendments

In the current financial year, the Group and the Company have applied a number of amendments that became effective mandatorily for the financial periods beginning on or after 1 January 2021. The adoption of the amendments did not have significant impact on the disclosures or on the amounts reported in the financial statements.

## Amendments and new standard issued that are not yet effective

The Group and the Company have not applied the following amendments and new standard that have been issued by the MASB but are not yet effective:

|   |  | Effective Date                     |
|---|--|------------------------------------|
| Amendments to MFRS 1, MFRS 9,<br>MFRS 16 and MFRS 141 | Annual Improvements to MFRS Standards 2018 - 2020                      | 1 January 2022                     |
| Amendments to MFRS 3                                  | Reference to the Conceptual Framework                                  | 1 January 2022                     |
| Amendments to MFRS 116                                | Property, Plant and Equipment - Proceeds before<br>Intended Use        | 1 January 2022                     |
| Amendments to MFRS 137                                | Onerous Contracts - Cost of Fulfilling a Contract                      | 1 January 2022                     |
| MFRS 17   | Insurance Contracts  | 1 January 2023<br>(1 January 2021) |
| Amendment to MFRS 17                                  | Initial Application of MFRS 17 and MFRS 9 -<br>Comparative Information | 1 January 2023                     |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 2. BASIS OF PREPARATION (continued)

Amendments and new standard issued that are not yet effective (continued)

|                                    |   | Effective Date                     |
|------------------------------------|---|------------------------------------|
| Amendments to MFRS 101             | Classification of Liabilities as Current or Non-current                               | 1 January 2023<br>(1 January 2022) |
| Amendments to MFRS 101             | Disclosure of Accounting Policies   | 1 January 2023                     |
| Amendments to MFRS 108             | Definition of Accounting Estimates  | 1 January 2023                     |
| Amendments to MFRS 112             | Deferred Tax related to Assets and Liabilities arising from a Single Transaction      | 1 January 2023                     |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced by the MASB        |

The adoption of the above amendments and new standard is not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

## (a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the entities controlled by the Company made up to the end of the financial year.

The Company controls an investee if and only if the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the Company has no majority voting rights of an investee, it considers that it has power over the investee if the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation. Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

Non-controlling interests are initially measured at fair value. Subsequently, non-controlling interests are the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Consolidation (continued)

Changes of Interests in Subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interests. Any difference arising from equity transactions is recognised directly in equity.

When the Company loses control of a subsidiary:

- It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income ("OCI") relating to the former subsidiary.
- It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.
- It recognises any investment retained in the former subsidiary at its fair value when control is lost. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entities.

## (b) Business Combination

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

- (a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interests in the investee; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination achieved in stages.
- (b) The net fair value of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

Measurement period adjustments are adjustments that arise from additional information obtained during twelve months from the acquisition date, about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the reporting date in which the business combination occurs, the Group reports provisional amounts for the business combination. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of the acquisition date.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (b) Business Combination (continued)

When the consideration in a business combination includes contingent consideration, the contingent consideration is measured at fair value on acquisition date.

- Subsequent changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.
- Subsequent changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments: (i) contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity; or (ii) other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

## (c) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised to write off the depreciable amount of property, plant and equipment on a straight-line basis over their estimated useful lives. Depreciable amount is determined after deducting the residual value from the cost.

Freehold land is not depreciated.

The estimated useful lives are as follows:

| Coaches, motor vehicles for hire and other motor vehicles | 4 to 10 years |
|---|---------------|
| Furniture, fixtures, fittings and office equipment        | 3 to 7 years  |
| Buildings   | 50 years      |
| Machinery and equipment for hire                          | 3 to 5 years  |
| Plant, machinery and equipment                            | 2 to 7 years  |
| Renovation  | 3 to 4 years  |

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Valuations on freehold land and buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings as at reporting date. Surplus arising from revaluation is dealt with through the asset revaluation reserve account, net of deferred tax, if any. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use. On disposal or retirement of an asset, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Investment Property

Investment property is measured initially at cost, including transaction costs. Subsequently, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise.

Investment property is derecognised upon disposal or when no future economic benefits are expected from their use. On disposal or retirement of an asset, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

## (e) Investments in Associates and Jointly Controlled Entities

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A jointly controlled entity is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the sharing of control of an arrangement contractually, which exists only when decisions about the relevant activities require unanimous consent of the parties.

Investments in associates or jointly controlled entities are accounted for in the financial statements using the equity method. The results and net assets of associates or jointly controlled entities are accounted for using uniform accounting policies for like transactions and other events in similar circumstances. An investment is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or jointly controlled entities. Unrealised gains or losses on transactions between the Group and its associates or jointly controlled entities are eliminated to the extent of the Group's interest in the associates or jointly controlled entities.

On acquisition of an investment in an associate or a jointly controlled entity, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, and goodwill is not tested for impairment separately. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

When the Group's share of losses of an associate or a jointly controlled entity exceeds the Group's interest in that associate or jointly controlled entity (includes long-term interests that form part of the Group's net investment in the associate or jointly controlled entity, in substance), equity accounting is discontinued; unless the Group has legal or constructive obligations for such losses.

At each reporting date, the Group determines whether there is any objective evidence that the investment in an associate or a jointly controlled entity is impaired. If there is such indication, management recognises impairment loss in profit or loss as the difference between the recoverable amount of the associate or jointly controlled entity and its carrying value.

When changes in the Group's interest in an associate or a jointly controlled entity do not affect the use of equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in OCI relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments in Associates and Jointly Controlled Entities (continued)

The Group discontinues the use of equity accounting from the date when the investment ceases to be an associate or a jointly controlled entity. When the Group retains an interest in the former associate or former jointly controlled entities and the retained interest is a financial asset, the Group measures the retained interest at fair value and the fair value is regarded as its fair value on initial recognition. Any gain or loss is recognised in profit or loss. In addition, if a gain or loss previously recognised in OCI by the associate or jointly controlled entities would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or jointly controlled entities is disposed.

(f) Investments in Subsidiaries, Associates and Jointly Controlled Entities (separate financial statements)

In the Company's separate financial statements, investments in subsidiaries, associates and jointly controlled entities are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed is recognised in profit or loss.

(g) Intangible Assets

Goodwill

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Intangible Assets Acquired Separately

Intangible assets with finite useful lives, which are acquired separately, are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over the estimated economic useful lives. The amortisation period and the amortisation method for an intangible asset are reviewed at each reporting date.

Intangible assets with infinite useful lives, which are acquired separately, are measured at cost less accumulated impairment losses.

Internally Generated Intangible Assets - Research and Development

Research expenditure is recognised as an expense when it is incurred.

Costs incurred during the development phase are capitalised as assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- availability of adequate technical, financial and other resources to complete the development and to use
  or sell the intangible asset; and
- the expenditure during development phases can be reliably measured.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Intangible Assets (continued)

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses. The development expenditure is amortised on a straight-line basis over its useful life from the point at which the asset is ready for sale or use. The amortisation period and the amortisation method are reviewed at each reporting date.

Development expenditure that do not meet these criteria are recognised as an expense when incurred. Development expenditure initially recognised as an expense is not recognised as an asset in the subsequent periods.

## (h) Income Tax

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in OCI or directly in equity, if the tax relates to items that are recognised in OCI or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

#### Current Tax

Current tax is the expected income tax payable on the taxable profit for the financial year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

## Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted for using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of: (i) goodwill, or (ii) an asset or liability (which is not in a business combination) at the time of the transaction that affects neither accounting profit nor taxable profit.

Deferred taxes are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Leases

Lessee

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of twelve months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

The estimated useful lives are as follows:

Leasehold land and buildings Properties 50 to 55 years 2 to 5 years

Valuations on leasehold land and buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold land and buildings as at reporting date. Surplus arising from revaluation is dealt with through the asset revaluation reserve account, net of deferred tax, if any. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

### Lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Leases (continued)

#### Lessor (continued)

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

#### (j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

Cost comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

## (k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, time deposits and other short term, highly liquid deposits that are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value.

For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits pledged to secure banking facilities and fixed deposits placed for tenure exceeding three months.

## (I) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

#### Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Financial Instruments (continued)

Subsequent Measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

Financial Assets at Amortised Cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

Financial Assets at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVTOCI, the related interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. All other changes in the carrying amount are recognised in OCI and accumulated in a reserve in equity.

The Company does not have financial assets at FVTOCI.

Equity instruments designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Equity instruments designated at FVTOCI (continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

Financial Assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Impairment of Financial Assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables, lease receivables, contract assets, loan commitments and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables, contract assets and lease receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within twelve months after the reporting date. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Derecognition of Financial Assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

Financial liabilities at FVTPL

Financial liabilities are classified at FVTPL when the financial liability is:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- it is designated at FVTPL.

Financial liabilities are classified as held for trading if they are held for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

For financial liabilities that are designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial Instruments (continued)

Financial Liabilities at Amortised Cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability by allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the amortised cost of a financial liability.

The Company does not have financial liabilities at FVTPL.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

Equity Instrument

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

Derivative Financial Instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured at fair value. The resulting gain or loss is recognised in profit or loss, unless the derivative is designated and effective as a hedging instrument.

(m) Impairment of Tangible and Intangible Assets

Goodwill

Goodwill is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units that is expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of a cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use. The total impairment loss is allocated first to reduce the carrying amount of the allocated goodwill and then to the other assets in that cash-generating unit proportionately on the basis of the carrying amount of each asset in that cash-generating unit. Impairment loss recognised for goodwill is not reversed in subsequent periods.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of Tangible and Intangible Assets (continued)

Tangible Assets and Intangible Assets with Finite Useful Lives

Tangible and intangible assets are assessed at each reporting date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was recognised in OCI. In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

## (n) Non-controlling Interests

Non-controlling interests at the reporting date, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

## (o) Borrowing Costs

All borrowing costs are recognised in profit or loss in the financial period in which they are incurred.

## (p) Hire purchases

Hire purchase payments are apportioned between the finance charges and reduction of the hire purchase liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

## (q) Employee Benefits

## (i) Short-term and Other Long-term Employee Benefits

Wages, salaries, paid leave, bonuses and non-monetary benefits are recognised as an expense (at the undiscounted amount) in the period in which the associated services are rendered by the employees.

Long-term employee benefits are measured at the present value of the estimated future cash outflows in respect of services rendered by the employees up to the reporting date.



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

- (q) Employee Benefits (continued)
  - (ii) Post-employment benefits
    - (a) Defined contribution plan

The Company and its Malaysian subsidiaries make monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan. Foreign subsidiaries make contributions to their respective statutory pension plans. The obligation of the Group is limited to the amount that it agrees to contribute to those defined contribution plans. The contributions to those plans are recognised as an expense when the employees have rendered service entitling them to the contribution.

### (b) Defined benefit plan

The Group's and the Company's net obligations in respect of their defined benefit plans are calculated by estimating the discounted present value of future benefit that employees have earned in return for their services in the current and prior periods.

The discount rate is the market yield at the reporting date on high quality corporate bonds. The calculation is performed by an independent firm of actuaries using the projected unit credit method once in three years in advance.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, and are recognised immediately in OCI. The Group and the Company determine the net interest expense or income on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Company recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### (r) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group and the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of estimated future cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (s) Revenue

Revenue from a contract with a customer is recognised when control of the goods or services is transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties such as sales taxes and value added taxes, which are not economic benefits that flow to the entity.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

#### Sales of Goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to a customer, generally upon delivery of goods.

In measuring the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

## Rendering of Services

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

Contract Balances Arising from Revenue Recognition

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Other Revenue is Recognised as follows:

- Car rental income is recognised on a time proportion basis over the lease term.
- Income from finance lease transactions is recognised based on the sum-of-digits method. Where an account becomes non-performing, interest income is suspended until it is realised on a cash basis. An account is classified as non-performing where repayments are in arrears for more than six months.
- Interest income is recognised using the effective interest method.
- Rental income from investment property is recognised in profit or loss on a straight-line basis over the specific tenure of the respective leases. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.
- Dividend income is recognised when the right to receive payment is established.
- Insurance premium income is recognised on the date of the assumption of risks.



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (t) Foreign Currencies

Transactions and Balances in Foreign Currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rate on the date when the fair values were determined.

Exchange differences are recognised in profit or loss, except for:

- Exchange differences on borrowings denominated in foreign currency relating to an asset under construction, which are included in the cost of that asset when the exchange difference is regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in OCI and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

### Translation of Foreign Operations

For consolidation purposes, all assets and liabilities of foreign operations (including goodwill and fair value adjustments arising from the acquisition of a foreign operation) are translated at the prevailing exchange rate on the reporting date. Income and expense are translated at average exchange rate for the period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in OCI; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation is reclassified to profit or loss.

In a partial disposal that does not result in losing of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re-attributed to non-controlling interests and is not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

### (u) Segmental Reporting

Segmental reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each reporting segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

## (u) Segmental Reporting (continued)

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the board of directors. Segment total asset is used to measure the return on assets of each segment.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, and tangible assets other than goodwill.

The Group does not use geographical segment as its main operations are in Malaysia.

#### (v) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

- Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).
- Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS

The preparation of the financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported assets, liabilities, income and expenses.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors (including expectations for future events that are believed to be reasonable under the circumstances), actual results may ultimately differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised and in any future financial period affected.

## Critical Judgement

There are no significant areas of critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

## Key Estimation and Assumption

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are as follows:

## (i) Property, Plant and Equipment

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates these useful lives to be 50 years for buildings and within 2 to 10 years for other property, plant and equipment.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

The carrying amount of property, plant and equipment as at the end of the reporting period is disclosed in note 5.

#### (ii) Land and Buildings

The Group determines the fair values of its land and buildings based on a valuation carried out by an independent firm of professional valuers on an open market value basis.

The fair value of land and buildings as at the end of the reporting period is disclosed in notes 5, 6 and 7.

#### (iii) Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated.

Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying amount and the key assumptions applied in the impairment assessment of goodwill are disclosed in note 11.

#### (iv) Deferred Tax Asset

Deferred tax asset is recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

#### (v) Inventories

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less the estimated costs necessary to make the sale.

Inventories are reviewed on a regular basis and the Group writes down inventories based primarily on historical trends and management's estimates of expected and future product demand and related pricing.

Demand levels, technological advances and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional write down for slow moving inventories may be required.

The carrying amount of inventories as at the end of the reporting period is disclosed in note 15.

#### (vi) Trade Receivables

Management assesses the ECL for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies simplified approach of MFRS 9 *Financial Instruments* in assessing the impairment of trade receivables.

In determining the ECL, management uses historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management is also considering, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables as at current reporting date is primarily based upon the historical credit loss experience.

The carrying amount of trade receivables as at the end of the reporting period is disclosed in notes 13 and 16.

#### (vii) Non-trade Receivables

Management assesses the ECL of receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive.

In determining the ECL, management assesses whether there has been any significant increase in credit risk since initial recognition of a receivable. Where there has not been a significant increase in credit risk since initial recognition, management determines the loss allowance by estimating an amount equal to twelve months ECL of that receivable. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), management measures a loss allowance for credit losses expected over the remaining life of that receivable. Management exercise considerable judgement in these estimations, using historical credit loss experience as well as reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL.

The carrying amount of other receivables as at the end of the reporting period is disclosed in note 16.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

#### (viii) Other Non-financial Assets

The Group and the Company determine whether other non-financial assets are impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to factors such as market performance, economic situation, etc.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgment has been used to determine the discount rate for the cash flows and the future growth of the business.

#### (ix) Lease Liabilities

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liabilities as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

The carrying amount of lease liabilities as at the end of the reporting period is disclosed in note 6.

## (x) Defined Benefit Plan

The Group and the Company determine the present value of the defined benefit obligation and the fair value of any plan asset based on calculations provided by independent actuaries triennially using the relevant assumptions as disclosed in note 23. Where expectations differ from the original estimate, the differences will impact the carrying amount of the post-employment benefits obligations.

#### (xi) Income Taxes

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions during the ordinary course of business and computations for which the ultimate tax determination is uncertain.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT

|  | Freehold<br>land | Buildings | Plant,<br>machinery<br>and<br>equipment | Machinery<br>and<br>equipment<br>for hire | Furniture,<br>fixtures,<br>fittings<br>and<br>office<br>equipment | Renovation | Coaches,<br>motor<br>vehicles<br>for hire and<br>other motor<br>vehicles | Total    |
|--|------------------|-----------|---|---|---|------------|--|----------|
| Group                                  | RM'000           | RM'000    | RM'000                                  | RM'000                                    | RM'000  | RM'000     | RM'000   | RM'000   |
| Cost/Valuation                         |                  |           |   |   |   |            |  |          |
| At 1 January 2020                      | 45,355           | 18,396    | 3,985                                   | 71,998                                    | 26,774  | 10,551     | 220,011  | 397,070  |
| Additions                              | -                | -         | 230                                     | 15,502                                    | 928   | 398        | 19,388   | 36,446   |
| Disposals                              | -                | -         | (424)                                   | (17,923)                                  | (62)  | -          | (4,741)  | (23,150) |
| Written off                            | -                | -         | -                                       | -   | (28)  | (34)       | (559)  | (621)    |
| Transfer to inventories (c)            | -                | -         | -                                       | -   | -   | -          | (52,677)   | (52,677) |
| Revaluation                            | 10,650           | (1,066)   | -                                       | -   | -   | -          | -  | 9,584    |
| Elimination on revaluation             | -                | (1,690)   | -                                       | -   | -   | -          | -  | (1,690)  |
| At 31 December 2020                    | 56,005           | 15,640    | 3,791                                   | 69,577                                    | 27,612  | 10,915     | 181,422  | 364,962  |
| Additions                              | -                | -         | 258                                     | 12,182                                    | 770   | 254        | 15,894   | 29,358   |
| Disposals                              | -                | -         | -                                       | (14,283)                                  | (122)   | -          | (33,988)   | (48,393) |
| Written off                            | -                | -         | -                                       | -   | (62)  | (25)       | (789)  | (876)    |
| Effects of movements in exchange rates | -                | -         | 10                                      | -   | (29)  | -          | (1,867)  | (1,886)  |
| At 31 December 2021                    | 56,005           | 15,640    | 4,059                                   | 67,476                                    | 28,169  | 11,144     | 160,672  | 343,165  |
| Representing item:                     |                  |           |   |   |   |            |  |          |
| At cost                                | -                | -         | 4,059                                   | 67,476                                    | 28,169  | 11,144     | 160,672  | 271,520  |
| At valuation                           | 56,005           | 15,640    | -                                       |   | -   | -          | -  | 71,645   |
| At 31 December 2021                    | 56,005           | 15,640    | 4,059                                   | 67,476                                    | 28,169  | 11,144     | 160,672  | 343,165  |

cont'd

#### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

|  | Freehold<br>land | Buildings | Plant,<br>machinery<br>and<br>equipment | Machinery<br>and<br>equipment<br>for hire |        | Renovation | Coaches,<br>motor<br>vehicles<br>for hire and<br>other motor<br>vehicles | Total    |
|--|------------------|-----------|---|---|--------|------------|--|----------|
| Group                                  | RM'000           | RM'000    | RM'000                                  | RM'000                                    | RM'000 | RM'000     | RM'000   | RM'000   |
| Accumulated depreciation               |                  |           |   |   |        |            |  |          |
| At 1 January 2020                      | -                | 1,161     | 3,631                                   | 32,179                                    | 21,878 | 7,071      | 74,480   | 140,400  |
| Charge for the financial year          | -                | 539       | 135                                     | 12,777                                    | 2,459  | 1,239      | 28,952   | 46,101   |
| Disposals                              | -                | -         | (424)                                   | (13,693)                                  | (37)   | -          | (3,354)  | (17,508) |
| Written off                            | -                | -         | -                                       | -   | (28)   | (34)       | (212)  | (274)    |
| Transfer to inventories (c)            | -                | -         | -                                       | -   | -      | -          | (29,274)   | (29,274) |
| Revaluation                            | -                | (1,690)   | -                                       | -   | -      | -          | -  | (1,690)  |
| At 31 December 2020                    | -                | 10        | 3,342                                   | 31,263                                    | 24,272 | 8,276      | 70,592   | 137,755  |
| Charge for the financial year          | -                | 514       | 151                                     | 12,759                                    | 1,786  | 1,036      | 23,826   | 40,072   |
| Disposals                              | -                | -         | -                                       | (9,596)                                   | (84)   | -          | (18,648)   | (28,328) |
| Written off                            | -                | -         | -                                       | -   | (62)   | (25)       | (520)  | (607)    |
| Effects of movements in exchange rates | -                | -         | 5                                       | -   | (17)   | -          | (136)  | (148)    |
| At 31 December 2021                    | -                | 524       | 3,498                                   | 34,426                                    | 25,895 | 9,287      | 75,114   | 148,744  |
| Accumulated impairment loss            |                  |           |   |   |        |            |  |          |
| At 1 January 2020                      | -                | -         | -                                       | -   | 7      | 1          | 9  | 17       |
| Charge for the financial year          | -                | -         | -                                       | -   | -      | -          | 68   | 68       |
| At 31 December 2020                    | -                | -         | -                                       | -   | 7      | 1          | 77   | 85       |
| Charge for the financial year          | -                | -         | 140                                     | -   | -      | -          | -  | 140      |
| At 31 December 2021                    | -                | -         | 140                                     | -   | 7      | 1          | 77   | 225      |
| Carrying amount                        |                  |           |   |   |        |            |  |          |
| At 31 December 2020                    | 56,005           | 15,630    | 449                                     | 38,314                                    | 3,333  | 2,638      | 110,753  | 227,122  |
| At 31 December 2021                    | 56,005           | 15,116    | 421                                     | 33,050                                    | 2,267  | 1,856      | 85,481   | 194,196  |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) As at 31 December 2021, the carrying amount of cars for hire under hire purchase arrangements is RM27,567,000 (2020: RM30,455,000).
- (b) Acquisition of property, plant and equipment

|                            | 2021    | 2020    |
|----------------------------|---------|---------|
|                            | RM'000  | RM'000  |
| Additions                  | 29,358  | 36,446  |
| Financed via hire purchase | (4,138) | (5,398) |
| Cash paid                  | 25,220  | 31,048  |

- (c) In the previous financial year, the carrying amount of motor vehicles and cars for hire amounting to RM23,403,000 was transferred to inventories as disclosed in note 15(a).
- (d) The land and buildings under property, plant and equipment and right-of-use assets (note 6) were revalued on 8 December 2020. The fair values of the land and buildings as at 31 December 2021 were based on valuations carried out by independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. Fair values of land and buildings have been generally derived using the sales comparison and depreciated replacement cost approach and therefore are categorised as Level 2 in the fair value hierarchy. In the sales comparison approach, sales price of comparable properties in close proximity is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. Depreciated replacement cost approach is based on how much it would cost to reproduce the property after adjusting for depreciation.

There is no transfer between levels of fair value hierarchy during the financial year.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Had the revalued property, plant and equipment and right-of-use assets (note 6) been carried under the cost model, the carrying amount of each class of property, plant and equipment that would have been included in the financial statements of the Group as at 31 December 2021 and 31 December 2020 would be as follows:

|   | Freehold<br>land<br>RM'000 | Leasehold<br>land<br>(note i)<br>RM'000 | Buildings<br>(note ii)<br>RM'000 | Total<br>RM'000 |
|---|----------------------------|---|----------------------------------|-----------------|
| Cost  |                            |   |                                  |                 |
| At 1 January 2020/31 December 2020/<br>31 December 2021 | 15,612                     | 4,145                                   | 16,306                           | 36,063          |
| Accumulated depreciation                                |                            |   |                                  |                 |
| At 1 January 2020                                       | -                          | 1,073                                   | 4,961                            | 6,034           |
| Charge for the financial year                           | -                          | 166                                     | 402                              | 568             |
| At 31 December 2020                                     | -                          | 1,239                                   | 5,363                            | 6,602           |
| Charge for the financial year                           | -                          | 193                                     | 402                              | 595             |
| At 31 December 2021                                     | -                          | 1,432                                   | 5,765                            | 7,197           |
| Carrying amount   |                            |   |                                  |                 |
| At 31 December 2020                                     | 15,612                     | 2,906                                   | 10,943                           | 29,461          |
| At 31 December 2021                                     | 15,612                     | 2,713                                   | 10,541                           | 28,866          |

Note (i): The leasehold land is under right-of-use assets (note 6).

Note (ii): Certain buildings are under right-of-use assets (note 6).

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

|                               | Furniture, fixt<br>fittings and o<br>equipmen |        |
|-------------------------------|---|--------|
|                               | 2021  | 2020   |
| Company                       | RM'000  | RM'000 |
| Cost                          |   |        |
| At 1 January                  | 362   | 364    |
| Additions                     | 2   | -      |
| Written off                   |   | (2)    |
| At 31 December                | 364   | 362    |
| Accumulated depreciation      |   |        |
| At 1 January                  | 359   | 359    |
| Charge for the financial year | 2   | 1      |
| Written off                   | -   | (1)    |
| At 31 December                | 361   | 359    |
| Carrying amount               |   |        |
| At 31 December                | 3   | 3      |

cont'd

## **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

## (a) The Group as Lessee

Right-of-use Assets

| Group                                  | Leasehold<br>land and<br>buildings<br>RM'000 | Properties<br>RM'000 | Total<br>RM′000 |
|--|--|----------------------|-----------------|
| Cost/Valuation                         |  |                      |                 |
| At 1 January 2020                      | 16,819                                       | 6,399                | 23,218          |
| Additions                              | -  | 2,638                | 2,638           |
| Discounts                              | -  | (220)                | (220)           |
| Revaluation                            | 7,109  | -                    | 7,109           |
| Elimination on revaluation             | (1,916)                                      | -                    | (1,916)         |
| Effects of movements in exchange rates | (97)   | -                    | (97)            |
| At 31 December 2020                    | 21,915                                       | 8,817                | 30,732          |
| Additions                              | -  | 2,478                | 2,478           |
| Effects of movements in exchange rates | 372  | -                    | 372             |
| At 31 December 2021                    | 22,287                                       | 11,295               | 33,582          |
| Representing item:                     |  |                      |                 |
| At cost                                | -  | 11,295               | 11,295          |
| At valuation                           | 22,287                                       | -                    | 22,287          |
|  | 22,287                                       | 11,295               | 33,582          |
| Accumulated depreciation               |  |                      |                 |
| At 1 January 2020                      | 1,508  | -                    | 1,508           |
| Charge for the financial year          | 408  | 4,413                | 4,821           |
| Revaluation                            | (1,916)                                      | -                    | (1,916)         |
| At 31 December 2020                    | -  | 4,413                | 4,413           |
| Charge for the financial year          | 533  | 3,573                | 4,106           |
| Effects of movements in exchange rates | 14   | -                    | 14              |
| At 31 December 2021                    | 547  | 7,986                | 8,533           |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

## (a) The Group as Lessee (continued)

(i) Right-of-use Assets (continued)

| Group   | Leasehold<br>land and<br>buildings<br>RM'000 | Properties<br>RM'000 | Total<br>RM'000 |
|---|--|----------------------|-----------------|
| Accumulated impairment loss                         |  |                      |                 |
| At 1 January 2020/31 December 2020/31 December 2021 | 839  | -                    | 839             |
| Carrying amount                                     |  |                      |                 |
| At 31 December 2020                                 | 21,076                                       | 4,404                | 25,480          |
| At 31 December 2021                                 | 20,901                                       | 3,309                | 24,210          |

The Group leases leasehold land and buildings for a period of fifty to fifty-five years and properties that are typically run a period of two to five years. The leases do not impose any covenants.

|      |                   | 2021<br>RM'000 | 2020<br>RM'000 |
|------|-------------------|----------------|----------------|
| (ii) | Lease Liabilities |                |                |
|      | Current           | 3,091          | 3,684          |
|      | Non-current       | 388            | 888            |
|      |                   | 3,479          | 4,572          |

The changes in lease liabilities arising from financing activities are as follows:

|                | 2021<br>RM'000 | 2020<br>RM'000 |
|----------------|----------------|----------------|
| At 1 January   | 4,572          | 6,660          |
| Additions      | 2,478          | 2,638          |
| Discounts      | -              | (220)          |
| Lease payments | (3,827)        | (4,841)        |
| Finance costs  | 256            | 335            |
| At 31 December | 3,479          | 4,572          |

7.

# **NOTES TO THE FINANCIAL STATEMENTS** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

cont'd

#### RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued) 6.

## (b) The Group as Lessor

|           |   | 2021<br>RM'000     | 2020<br>RM'000 |
|-----------|---|--------------------|----------------|
| (i)       | Carrying amount of property, plant and equipment (subject to operating leases as lessor): |                    |                |
|           | Properties  | 15,116             | 15,630         |
|           | Motor vehicles  | 85,481             | 110,753        |
|           | Equipment   | 33,050             | 38,314         |
|           |   | 133,647            | 164,697        |
| (ii)      | Carrying amount of investment property (subject to operating leases as lessor)            | 43,500             | 43,500         |
| (iii)     | Analysis of undiscounted lease receivables after the reporting da                         | ate is as follows: |                |
|           |   | 2021<br>RM'000     | 2020<br>RM'000 |
|           | Not later than one year   | 29,158             | 33,720         |
|           | Later than one year but not later than five years   | 25,123             | 28,636         |
|           |   | 54,281             | 62,356         |
| INVESTIV  | IENT PROPERTY   |                    |                |
| Group     |   | 2021<br>RM′000     | 2020<br>RM'000 |
| At 1 Janu | ary   | 43,500             | 45,400         |
|           | e loss on investment property   | -                  | (1,900)        |
| At 31 De  | cember  | 43,500             | 43,500         |
| Investme  | nt property comprises:  |                    |                |
| Leasehold | d land  | 40,700             | 40,700         |
| Buildings |   | 2,800              | 2,800          |
|           |   | 43,500             | 43,500         |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### 7. INVESTMENT PROPERTY (continued)

- (a) Investment property comprises a commercial property that is leased to related parties. Each of the leases contains an initial lease period of one to two (2020: one to two) years. Subsequent renewals are negotiated with lessee and on an average renewal period of two years. No contingent rents are charged.
- (b) The following is recognised in profit or loss in respect of the investment property:

|                           | 2021   | 2020   |
|---------------------------|--------|--------|
|                           | RM'000 | RM'000 |
| Rental income             | 833    | 809    |
| Direct operating expenses | 113    | 110    |

(c) The Group measures its investment property at fair value and any change in fair value is recognised in profit or loss. The fair value of the investment property as at 31 December 2021 is based on a valuation carried out on 8 November 2021 by independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value of the investment property was determined using sales comparison method and therefore is categorised as Level 2 in the fair value hierarchy. In the sales comparison approach, sales price of comparable properties in close proximity is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

There is no transfer between levels of fair value hierarchy during the financial year.

### 8. INVESTMENTS IN SUBSIDIARIES

| Company                                    | 2021<br>RM'000   | 2020<br>RM'000   |
|--|------------------|------------------|
| Unquoted shares, at cost                   |                  |                  |
| At 1 January Additions                     | 219,432<br>1,915 | 213,432<br>6,000 |
| At 31 December                             | 221,347          | 219,432          |
| Accumulated impairment losses              |                  |                  |
| At 1 January Charge for the financial year | 70,384<br>-      | 61,109<br>9,275  |
| At 31 December                             | 70,384           | 70,384           |
| Carrying amount                            |                  |                  |
| At 31 December                             | 150,963          | 149,048          |

cont'd

#### 8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

|   | Effective ownership and voting interest 2021 2020 |     | and voting interest business |   | Principal place of<br>business<br>and place of |  |
|---|---|-----|------------------------------|---|--|--|
| Name of subsidiaries  | %   | %   | incorporation                | Principal activities  |  |  |
| Mayflower Car Rental<br>Sdn Bhd +                             | 100   | 100 | Malaysia                     | Rental of cars and coaches and trading and marketing of motor vehicles  |  |  |
| Mayflower Corporate Travel<br>Services Sdn Bhd                | 100   | 100 | Malaysia                     | Operation of inbound, outbound tours and provision of air-ticketing services  |  |  |
| Mayflower Holidays Sdn Bhd                                    | 100   | 100 | Malaysia                     | Operation of inbound, outbound tours and provision of air-ticketing services  |  |  |
| Discovery Tours (Sabah)<br>Sdn Bhd                            | 100   | 100 | Malaysia                     | Operation of inbound and outbound tours, rental of cars and coaches as well as air-ticketing services   |  |  |
| TCIM Sdn Bhd ("TCIM") +                                       | 100   | 100 | Malaysia                     | Distribution, sale and rental of material handling equipment, agriculture tractors, engine, construction equipment and parts as well as provision of after sales services |  |  |
| Jentrakel Sdn Bhd +   | 100   | 100 | Malaysia                     | Rental and sale of industrial machinery and equipment   |  |  |
| Angka-Tan Motor Sdn Bhd +                                     | 100   | 100 | Malaysia                     | Assembly, distribution and sale of commercial and passenger vehicles  |  |  |
| MUV Solutions Sdn Bhd   | 100   | 100 | Malaysia                     | Provision of technology, maintenance and its related services   |  |  |
| Tan Chong Apparels<br>Manufacturer Sdn Bhd +                  | 100   | 100 | Malaysia                     | Manufacture of apparels   |  |  |
| Warisan TC Automotive<br>Manufacturers (M) Sdn Bhd            | 100   | 100 | Malaysia                     | Manufacture and assembly of passenger and commercial vehicles   |  |  |
| M A T Tours and Travel<br>(Cambodia) Pte Ltd *                | 100   | 100 | Cambodia                     | Operation of inbound, outbound tours and provision of air-ticketing services  |  |  |
| Mayflower-My 2nd Home<br>(MM2H) Sdn Bhd                       | 100   | 100 | Malaysia                     | Provision of migration services   |  |  |
| Warisan TC Management<br>Services Sdn Bhd                     | 100   | 100 | Malaysia                     | Provision of management services  |  |  |
| HairBiz College of<br>Hairdressing Professionals<br>Sdn Bhd + | 100   | 100 | Malaysia                     | Property investment holding   |  |  |
| Belize Holdings Sdn Bhd +                                     | 100   | 100 | Malaysia                     | Investment holding  |  |  |
| Mayflower (Labuan) Pte Ltd                                    | 100   | 100 | Labuan Malaysia              | Investment holding  |  |  |
| MAT (Labuan) Pte Ltd  | 100   | 100 | Labuan Malaysia              | Investment holding  |  |  |

#### INVESTMENTS IN SUBSIDIARIES (continued) 8.

The details of the subsidiaries are as follows: (continued)

|  | and voting interest |           | and voting intere          |  | and voting interest business |  |  |  |
|--|---------------------|-----------|----------------------------|--|------------------------------|--|--|--|
| Name of subsidiaries   | 2021<br>%           | 2020<br>% | and place of incorporation | Principal activities   |                              |  |  |  |
| Warisan Captive Incorporated                                 | 100                 | 100       | Labuan<br>Malaysia         | Captive insurance  |                              |  |  |  |
| MAT Transportation Solution<br>(Myanmar) Company Ltd *       | 100                 | 100       | Myanmar                    | Rental of cars and coaches and trading and marketing of motor vehicles   |                              |  |  |  |
| Tung Pao Sdn Bhd †   | 100                 | 100       | Malaysia                   | Inactive   |                              |  |  |  |
| Tan Chong Apparels<br>Sdn Bhd †                              | 100                 | 100       | Malaysia                   | Inactive   |                              |  |  |  |
| Excess Line Sdn Bhd  | 100                 | 100       | Malaysia                   | Inactive   |                              |  |  |  |
| TC Machinery Vietnam Pte<br>Ltd *                            | 100                 | 100       | Vietnam                    | Inactive   |                              |  |  |  |
| Grooming Expert Sdn Bhd +                                    | 100                 | 100       | Malaysia                   | Inactive   |                              |  |  |  |
| Mayflower Logistics Solutions<br>Sdn Bhd                     | 100                 | 100       | Malaysia                   | Dormant  |                              |  |  |  |
| Warisan Automotif Holdings<br>Sdn Bhd                        | 100                 | 100       | Malaysia                   | Dormant  |                              |  |  |  |
| ATM (Labuan) Pte Ltd   | 100                 | 100       | Labuan Malaysia            | Dormant  |                              |  |  |  |
| Mayflower ITravel Sdn Bhd                                    | 100                 | 100       | Malaysia                   | Dormant  |                              |  |  |  |
| Mayflower Holidays (Labuan)<br>Pte Ltd                       | 100                 | 100       | Labuan Malaysia            | Investment holding   |                              |  |  |  |
| WTC Automotif (M) Sdn Bhd                                    | 100                 | 100       | Malaysia                   | Assembly, distribution and sale of commercial and passenger vehicles   |                              |  |  |  |
| Gocar Mobility Sdn Bhd                                       | 99                  | 95        | Malaysia                   | Provision of online and mobile application platforms to fleet owners, fleet maintenance and management, and advertising services |                              |  |  |  |
| MUV Marketplace Sdn Bhd <sup>+</sup>                         | 84                  | 84        | Malaysia                   | Provision of used vehicles auction services,<br>vehicle inspection and certification, and<br>trading of used vehicles            |                              |  |  |  |
| Mayflower Online Sdn Bhd                                     | 100                 | 80        | Malaysia                   | Provision of multiple travel products and services via electronic platform   |                              |  |  |  |
| Comit Communication<br>Technologies (M) Sdn Bhd <sup>+</sup> | 76                  | 76        | Malaysia                   | Property investment holding  |                              |  |  |  |
| Kereta Komersil Seladang (M)<br>Sdn Bhd                      | 70                  | 70        | Malaysia                   | Manufacturing, assembly and sale of commercial and passenger vehicles  |                              |  |  |  |
| TCIM Esasia Sdn Bhd  | 70                  | 70        | Malaysia                   | Inactive   |                              |  |  |  |

Subsidiaries which were consolidated on the merger method of accounting

Not audited by Mazars PLT

cont'd

#### 9. **INVESTMENTS IN ASSOCIATES**

| Group                             | 2021<br>RM'000 | 2020<br>RM'000 |
|-----------------------------------|----------------|----------------|
| Unquoted shares, at cost          |                |                |
| At 1 January/31 December          | 2,239          | 2,239          |
| Share of post-acquisition reserve |                |                |
| At 1 January                      | (1,424)        | (940)          |
| Additions                         | (318)          | (484)          |
| At 31 December                    | (1,742)        | (1,424)        |
| Carrying amount                   |                |                |
| At 31 December                    | 497            | 815            |

<sup>(</sup>a) The associates are not material to the Group as at the end of the reporting period and therefore the summarised financial information of the associates is not presented.

(b) The details of the associates are as follows:

|   | Effective ownership and voting interest of business |           |                                     |   |
|---|---|-----------|-------------------------------------|---|
| Name of associates                                | 2021<br>%   | 2020<br>% | and place of incorporation          | Principal activities  |
| Mayflower Saha Travel<br>(Thailand) Co. Ltd*      | 49  | 49        | Thailand                            | Provision of air ticketing services, as well as inbound and outbound tours  |
| Tan Chong Warisan<br>Resources Management<br>LLC* | 49  | 49        | United States of<br>America ("USA") | Developing and sourcing for business opportunities in USA and Canada, sourcing for new and innovative products, technologies and/or services which can be commercially developed or commercialised and any other business related thereto |

Not audited by Mazars PLT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

| Group                             | 2021<br>RM'000 | 2020<br>RM'000 |
|-----------------------------------|----------------|----------------|
| Unquoted shares, at cost          |                |                |
| At 1 January/31 December          | 17,356         | 17,356         |
| Share of post-acquisition reserve |                |                |
| At 1 January                      | 17,722         | 24,773         |
| Additions                         | (4,318)        | (7,051)        |
| At 31 December                    | 13,404         | 17,722         |
| Carrying amount                   |                |                |
| At 31 December                    | 30,760         | 35,078         |
| Company                           | 2021<br>RM'000 | 2020<br>RM'000 |
| Unquoted shares, at cost          |                |                |
| At 1 January/31 December          | 24,568         | 24,568         |
| Carrying amount                   |                |                |
| At 31 December                    | 24,568         | 24,568         |

(a) The details of the jointly controlled entities, which are all incorporated in Malaysia, are as follows:

|   |           | ownership<br>g interest |  |
|---|-----------|-------------------------|--|
| Name of jointly controlled entities     | 2021<br>% | 2020<br>%               | Principal activities                                     |
| Wacoal Malaysia Sdn Bhd ("Wacoal")      | 50        | 50                      | Distribution and sale of ladies lingerie                 |
| Shiseido Malaysia Sdn Bhd ("Shiseido")* | 50        | 50                      | Distribution and sale of cosmetics and consumer products |

Not audited by Mazars PLT

cont'd

## 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

(b) The summarised financial information of the jointly controlled entities is as follows:

|      |  | 2021<br>RM'000  | 2020<br>RM'000  |
|------|--|---|---|
| (i)  | Wacoal   |   |   |
|      | Statement of Financial Position  |   |   |
|      | Current assets (excluding cash and bank balances) Cash and bank balances Non-current assets Current liabilities Non-current liabilities            | 27,058<br>7,375<br>14,016<br>(8,818)<br>(6,035)       | 30,258<br>2,570<br>13,055<br>(7,043)<br>(5,358)       |
|      | Statement of Profit or Loss and Other Comprehensive Income   |   |   |
|      | Revenue Interest income Depreciation of property, plant and equipment Profit before tax Tax (expense)/income Total comprehensive income            | 29,974<br>155<br>(1,075)<br>1,535<br>(301)<br>1,234   | 29,924<br>190<br>(1,142)<br>619<br>96<br>715          |
| (ii) | Shiseido   |   |   |
|      | Statement of Financial Position  |   |   |
|      | Current assets (excluding cash and bank balances) Cash and bank balances Non-current assets Current liabilities Non-current liabilities            | 41,624<br>38,941<br>52,338<br>(51,577)<br>(39,368)    | 37,653<br>34,665<br>63,515<br>(38,298)<br>(46,827)    |
|      | Statement of Profit or Loss and Other Comprehensive Income   |   |   |
|      | Revenue Interest income Depreciation of property, plant and equipment Loss before tax Tax income Other comprehensive loss Total comprehensive loss | 81,319<br>295<br>(9,707)<br>(11,425)<br>2,693<br>(18) | 89,775<br>306<br>(4,510)<br>(17,652)<br>3,970<br>(13) |
|      | iotal comprenensive loss   | (7,286)   | (13,695)  |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 10. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

- (b) The summarised financial information of the jointly controlled entities is as follows: (continued)
  - (iii) The reconciliation of net assets to carrying amount is as follows:

|  | 2021    | 2020    |
|--|---------|---------|
| Group  | RM'000  | RM'000  |
| Group's share of net assets                                      | 37,777  | 42,095  |
| Elimination of unrealised profits                                | (7,017) | (7,017) |
| Carrying amount in consolidated statement of financial position  | 30,760  | 35,078  |
| Group's share of loss for the financial year                     | (3,749) | (6,484) |
| Group's share of other comprehensive loss for the financial year | (9)     | (7)     |

<sup>(</sup>iv) During the financial year, the cash dividend received by the Company amounting to RM560,000 (2020: RM560,000).

#### 11. INTANGIBLE ASSETS

| Group   | Goodwill<br>RM'000  | License<br>RM'000 | Software and applications RM'000 | Total<br>RM′000          |
|---|---------------------|-------------------|----------------------------------|--------------------------|
| Cost  |                     |                   |                                  |                          |
| At 1 January 2020<br>Additions                  | 8,921               | 700               | 5,019<br>290                     | 14,640<br>290            |
| At 31 December 2020<br>Additions<br>Written off | 8,921<br>-<br>(490) | 700<br>-<br>-     | 5,309<br>474<br>(2,039)          | 14,930<br>474<br>(2,529) |
| At 31 December 2021                             | 8,431               | 700               | 3,744                            | 12,875                   |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 11. INTANGIBLE ASSETS (continued)

| Group   | Goodwill<br>RM'000 | License<br>RM'000 | Software and applications RM'000 | Total<br>RM'000         |
|---|--------------------|-------------------|----------------------------------|-------------------------|
| Accumulated amortisation  |                    |                   |                                  |                         |
| At 1 January 2020<br>Charge for the financial year                  | -                  | -                 | 2,063<br>635                     | 2,063<br>635            |
| At 31 December 2020<br>Charge for the financial year<br>Written off | -                  |                   | 2,698<br>626<br>(1,164)          | 2,698<br>626<br>(1,164) |
| At 31 December 2021   | -                  | -                 | 2,160                            | 2,160                   |
| Carrying amount   |                    |                   |                                  |                         |
| At 31 December 2020   | 8,921              | 700               | 2,611                            | 12,232                  |
| At 31 December 2021   | 8,431              | 700               | 1,584                            | 10,715                  |

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The above goodwill acquired has been allocated to the following cash-generating units ("CGUs"):

| Graun                                       | 2021<br>RM'000 | 2020<br>RM'000 |
|---|----------------|----------------|
| Group                                       | KIVI 000       | KIVI UUU       |
| Mayflower Corporate Travel Services Sdn Bhd | 8,431          | 8,431          |
| Kereta Komersil Seladang (M) Sdn Bhd        | 700            | 700            |
| Gocar Mobility Sdn Bhd                      |                | 490            |
|   | 9,131          | 9,621          |

The recoverable amounts of the abovementioned CGUs are determined based on value-in-use calculations using cash flows projection covering five years. The growth rate used for the five-year cash flows projection is 5.0% (2020: 3.0% to 5.0%) per annum and the terminal value growth rate used is 5.0% (2020: 3.0% to 5.0%).

The value-in-use was determined by discounting the future pre-tax cash flows generated from the continuing use of the units. The pre-tax discount rates used are in the range of 7.5% to 10.0% (2020: 7.5% to 10.0%).

The values assigned to the key assumptions represent management's assessment of future trends in the mentioned industry and are based on both external sources and internal sources.

## 12. DEFERRED TAX ASSET/(LIABILITY)

The components of the Group's and of the Company's deferred tax asset/(liability) are as follows:

|                                    | Asset   |         | Lia      | bility   | Total    |          |
|------------------------------------|---------|---------|----------|----------|----------|----------|
|                                    | 2021    | 2020    | 2021     | 2020     | 2021     | 2020     |
| Group                              | RM'000  | RM'000  | RM'000   | RM'000   | RM'000   | RM'000   |
| Property, plant and equipment      | -       | -       | (18,121) | (17,010) | (18,121) | (17,010) |
| Investment property                | -       | -       | (574)    | (574)    | (574)    | (574)    |
| Retirement benefits obligation     | 513     | 483     | -        | -        | 513      | 483      |
| Tax loss carry forward             | 2,847   | 2,847   | -        | -        | 2,847    | 2,847    |
| Other items                        | 5,676   | 5,778   | (155)    | -        | 5,521    | 5,778    |
| Deferred tax asset/(liability)     | 9,036   | 9,108   | (18,850) | (17,584) | (9,814)  | (8,476)  |
| Offsetting                         | (2,938) | (2,913) | 2,938    | 2,913    | -        |          |
| Net deferred tax asset/(liability) | 6,098   | 6,195   | (15,912) | (14,671) | (9,814)  | (8,476)  |
| Company                            |         |         |          |          |          |          |
| Retirement benefits obligation     | 355     | 355     | -        | -        | 355      | 355      |
| Other items                        | 20      | 20      | -        | -        | 20       | 20       |
| Deferred tax asset                 | 375     | 375     | -        | -        | 375      | 375      |

No deferred tax asset is recognised in respect of the following items:

| Group                         | 2021<br>RM'000 | 2020<br>RM'000 |
|-------------------------------|----------------|----------------|
| Unutilised tax losses         | 99,995         | 72,186         |
| Unabsorbed capital allowances | 9,133          | 8,268          |
| Other temporary differences   | 2,573          | 2,141          |
|                               | 111,701        | 82,595         |

Pursuant to the applicable tax legislation:

- unabsorbed capital allowances can be carried forward indefinitely; and
- unutilised tax losses can be carried forward up to ten consecutive years of assessment.

cont'd

## 12. DEFERRED TAX ASSET/(LIABILITY) (continued)

Movements of deferred tax are as follows:

| Property, plant and equipment Investment property         (17,010)         (1,111)         -         (18,121)           Investment property         (574)         -         -         (574)           Retirement benefits obligation         483         36         (6)         513           Tax loss carry forward         2,847         -         -         2,847           Other items         5,778         (231)         (26)         5,521           Net deferred tax liability         (8,476)         (1,306)         (32)         (9,814)           2020         - <th>Group</th> <th>At 1 January<br/>RM'000</th> <th>Recognised in<br/>profit or loss<br/>(note 31)<br/>RM'000</th> <th>Recognised<br/>in other<br/>comprehensive<br/>(loss)/income<br/>(note 32)<br/>RM'000</th> <th>At 31<br/>December<br/>RM'000</th>   | Group   | At 1 January<br>RM'000 | Recognised in<br>profit or loss<br>(note 31)<br>RM'000 | Recognised<br>in other<br>comprehensive<br>(loss)/income<br>(note 32)<br>RM'000 | At 31<br>December<br>RM'000 |
|--|---|------------------------|--|---|-----------------------------|
| Investment property   (574)   -   (574)   Retirement benefits obligation   483   36   (6)   513   Tax loss carry forward   2,847   -   2,847   Cther items   5,778   (231)   (26)   5,521   Retirement deferred tax liability   (8,476)   (1,306)   (32)   (9,814)   (2020   (2000 | 2021  |                        |  |   |                             |
| 2020         Property, plant and equipment Investment property       (11,288)       (3,653)       (2,069)       (17,010)         Investment property       (764)       190       -       (574)         Retirement benefits obligation       29       500       (46)       483         Tax loss carry forward       167       2,680       -       2,847         Other items       5,587       174       17       5,778         Net deferred tax liability       (6,269)       (109)       (2,098)       (8,476)         Company       2021         Retirement benefits obligation       234       -       -       234         Other items       141       -       -       141         Net deferred tax asset       375       -       -       375         2020         Retirement benefits obligation       258       -       (24)       234         Other items       141       -       -       141   | Investment property Retirement benefits obligation Tax loss carry forward | (574)<br>483<br>2,847  | 36   | -   | (574)<br>513<br>2,847       |
| Property, plant and equipment Investment property         (11,288)         (3,653)         (2,069)         (17,010)           Investment property         (764)         190         -         (574)           Retirement benefits obligation         29         500         (46)         483           Tax loss carry forward         167         2,680         -         2,847           Other items         5,587         174         17         5,778           Net deferred tax liability         (6,269)         (109)         (2,098)         (8,476)           Company         2021           Retirement benefits obligation         234         -         -         234           Other items         141         -         -         375           2020         2020         -         375         -         -         375           2020         Retirement benefits obligation         258         -         (24)         234           Other items         141         -         -         375   | Net deferred tax liability  | (8,476)                | (1,306)  | (32)  | (9,814)                     |
| Investment property         (764)         190         -         (574)           Retirement benefits obligation         29         500         (46)         483           Tax loss carry forward         167         2,680         -         2,847           Other items         5,587         174         17         5,778           Net deferred tax liability         (6,269)         (109)         (2,098)         (8,476)           Company         2021           Retirement benefits obligation         234         -         -         234           Other items         141         -         -         141           Net deferred tax asset         375         -         -         375           2020           Retirement benefits obligation         258         -         (24)         234           Other items         141         -         -         141  | 2020  |                        |  |   |                             |
| Company         2021       234       -       -       234         Other items       141       -       -       141         Net deferred tax asset       375       -       -       375         2020       Retirement benefits obligation       258       -       (24)       234         Other items       141       -       -       141   | Investment property Retirement benefits obligation Tax loss carry forward | (764)<br>29<br>167     | 190<br>500<br>2,680                                    | -<br>(46)<br>-  | (574)<br>483<br>2,847       |
| 2021         Retirement benefits obligation       234       -       -       234         Other items       141       -       -       141         Net deferred tax asset       375       -       -       375         2020         Retirement benefits obligation       258       -       (24)       234         Other items       141       -       -       141  | Net deferred tax liability  | (6,269)                | (109)  | (2,098)   | (8,476)                     |
| Other items       141       -       -       141         Net deferred tax asset       375       -       -       375         2020       -       -       (24)       234         Other items       141       -       -       141   |   |                        |  |   |                             |
| 2020         Retirement benefits obligation       258       -       (24)       234         Other items       141       -       -       141   | _   |                        | -  | -   |                             |
| Retirement benefits obligation         258         -         (24)         234           Other items         141         -         -         141  | Net deferred tax asset  | 375                    | -  | -   | 375                         |
| Other items 141 141  | 2020  |                        |  |   |                             |
| Net deferred tax (liability)/asset 399 - (24) 375  | _   |                        | -  |   |                             |
|  | Net deferred tax (liability)/asset  | 399                    | -  | (24)  | 375                         |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 13. FINANCE LEASE RECEIVABLES

|  | 2021    | 2020     |
|--|---------|----------|
| Group  | RM'000  | RM'000   |
| Finance lease instalments receivable:  |         |          |
| - not later than one year  | 2,742   | 3,050    |
| - later than one year but not later than five years                                | 8,719   | 12,816   |
|  | 11,461  | 15,866   |
| Unexpired term charges   | (449)   | (607)    |
| Outstanding principal receivable   | 11,012  | 15,259   |
| Outstanding principal receivable not later than one year (note 16)                 | (8,343) | (12,336) |
| Outstanding principal receivable later than one year but not later than five years | 2,669   | 2,923    |

The effective interest rates of the finance leases ranging from 4.0% to 6.0% (2020: 4.0% to 6.0%) per annum depending on the amount financed and the tenure of the lease.

## 14. OTHER INVESTMENTS

|  | 2021   | 2020   |
|--|--------|--------|
| Group  | RM'000 | RM'000 |
| Equity instrument (unquoted shares) designated at FVTOCI |        |        |
| At 1 January   | 6      | 6      |
| Additions  | 180    | -      |
| At 31 December   | 186    | 6      |

### 15. INVENTORIES

|  | 2021    | 2020    |
|--|---------|---------|
| Group                                    | RM'000  | RM'000  |
| Raw materials                            | 623     | 300     |
| Work-in-progress                         | 1,312   | 1,454   |
| Equipment and machinery                  | 53,619  | 44,473  |
| Trading goods                            | 1,092   | 3,158   |
| Spare parts and workshop inventories     | 19,072  | 18,569  |
| Commercial and passenger vehicles (a)    | 32,265  | 20,726  |
| Complete knock down kits and accessories | 25,857  | 25,214  |
|  | 133,840 | 113,894 |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 15. INVENTORIES (continued)

- (a) In the previous financial year, the carrying amount of motor vehicles and cars for hire amounting to RM23,403,000 was transferred from property, plant and equipment as disclosed in note 5(c).
- (b) The following items are recognised in profit or loss:
  - (i) Inventories recognised as cost of sales amounting to RM272,848,000 (2020: RM216,693,000).
  - (ii) Inventories written down to net realisable value amounting to RM2,832,000 (2020: RM432,000).

#### 16. TRADE AND OTHER RECEIVABLES

| Group                                     | 2021<br>RM'000 | 2020<br>RM'000 |
|---|----------------|----------------|
| Current                                   |                |                |
| Receivables from Contracts with Customers |                |                |
| Third parties (a)                         | 57,744         | 62,878         |
| Related parties (b)                       | 20,158         | 8,683          |
| _   | 77,902         | 71,561         |
| Allowance for doubtful debts (c)          | (7,902)        | (7,740)        |
|   | 70,000         | 63,821         |
| Other Trade Receivables                   |                |                |
| Finance lease receivables (note 13)       | 8,343          | 12,336         |
| Total trade receivables                   | 78,343         | 76,157         |
| Other receivables                         | 13,525         | 11,610         |
| Deposits                                  | 2,168          | 3,081          |
| Prepayments                               | 15,760         | 6,484          |
| Related parties (d)                       | 1,296          | 3,079          |
|   | 111,092        | 100,411        |
| Company                                   |                |                |
| Deposits                                  | 14             | 14             |
| Prepayments Other receivables             | 14<br>10       | 14             |
| Subsidiaries (e)                          | 7,073          | 6,938          |
| Related parties (d)                       | 2              | 1              |
| -   | 7,113          | 6,967          |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### 16. TRADE AND OTHER RECEIVABLES (continued)

- (a) Customers are granted a credit period of 30 to 60 (2020: 30 to 60) days. For major established customers, the credit terms may be extended to 120 days based on the discretion of management.
- (b) The related parties are companies in which a director of the Company has substantial interest. The amounts owing by related parties are trade in nature, unsecured, interest-free and have a credit period of 60 to 120 (2020: 60 to 120) days.
- (c) Management applies simplified approach (i.e. lifetime expected credit losses) in measuring the loss allowance for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the trade receivables and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables, general economic conditions of the industry in which the trade receivables operate and an assessment of both the current as well as the forecast direction of conditions as at the end of the reporting period.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e. when the trade receivable has been placed under liquidation or has entered into bankruptcy proceedings.

The movements in allowance for doubtful debts for trade receivables are as follows:

|                | 2021    | 2020    |
|----------------|---------|---------|
| Group          | RM'000  | RM'000  |
| At 1 January   | 7,740   | 6,576   |
| Allowance      | 2,323   | 2,604   |
| Reversal       | (1,204) | (415)   |
| Written off    | (957)   | (1,025) |
| At 31 December | 7,902   | 7,740   |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 16. TRADE AND OTHER RECEIVABLES (continued)

The risk profile and ageing analysis of trade receivables are as follows:

| Group   | 2021<br>RM'000 | 2020<br>RM'000 |
|---|----------------|----------------|
| Not past due                                      | 34,311         | 41,498         |
| Individual impairment                             | (170)          | (187)          |
|   | 34,141         | 41,311         |
| 1 to 30 days past due                             | 9,407          | 8,881          |
| Individual impairment                             | (28)           | (22)           |
|   | 9,379          | 8,859          |
| 31 to 120 days past due                           | 15,725         | 15,466         |
| Individual impairment                             | (59)           | (71)           |
|   | 15,666         | 15,395         |
| Over 120 days past due                            | 29,471         | 20,975         |
| Individual impairment                             | (7,645)        | (7,460)        |
|   | 21,826         | 13,515         |
| Total trade receivables (i)                       | 81,012         | 79,080         |
| (i) The breakdown is as follows:                  |                |                |
|   | 2021           | 2020           |
| Group   | RM'000         | RM'000         |
| Third parties                                     | 49,842         | 55,138         |
| Related parties                                   | 20,158         | 8,683          |
| Other trade receivables:                          |                |                |
| - Finance lease receivables (non-current portion) | 2,669          | 2,923          |
| - Finance lease receivables (current portion)     | 8,343          | 12,336         |
|   | 81,012         | 79,080         |

- (d) The amounts owing by related parties are non-trade in nature, unsecured, interest-free and receivable on demand.
- (e) The amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and receivable on demand.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### 17. SHORT TERM DEPOSITS

The short term deposits represent investments in short term funds which are managed and invested into fixed income securities and money market instruments by fund management companies. The short term deposits are readily convertible to cash.

#### 18. FIXED DEPOSITS

Fixed deposits are placed with licensed banks to earn effective interest rates ranging from 1.65% to 3.92% (2020: 1.65% to 3.92%) per annum. All fixed deposits have maturity periods of less than one year.

#### 19. SHARE CAPITAL

|                            | 2021   | 2020   |
|----------------------------|--------|--------|
| Group and Company          | RM'000 | RM'000 |
| Issued and fully paid up:  |        |        |
| 67,200,000 ordinary shares |        |        |
| At 1 January/31 December   | 67,200 | 67,200 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### 20. TREASURY SHARES

|                          | Num    | ber of shares |        | At cost |
|--------------------------|--------|---------------|--------|---------|
|                          | 2021   | 2020          | 2021   | 2020    |
| Group and Company        | RM'000 | RM'000        | RM'000 | RM'000  |
| At 1 January/31 December | 2,099  | 2,099         | 4,213  | 4,213   |

The treasury shares have no rights to voting, dividends or participation in other distribution.

At the Annual General Meeting held fully virtual on 4 June 2021, the shareholders of the Company had granted mandate to the Company to purchase its own shares. During the financial year, the Company did not repurchase its own shares and none of the existing treasury shares held was cancelled, sold or used for such other purposes permitted under the Companies Act 2016.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### 21. RESERVES

#### (a) Merger reserve

Merger reserve arose from those subsidiaries identified in note 8 which are consolidated on the merger method of accounting.

#### (b) Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations to the Group's reporting currency.

### (c) Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the cash flow hedging instruments related to hedged transactions that have not yet occurred.

#### (d) Revaluation reserve

- (i) Revaluation reserve relates to the revaluation of property, plant and equipment and right-of-use assets immediately prior to its reclassification as investment property; and
- (ii) The revaluation reserve is used to record changes in fair value of land and buildings measured under the revaluation model.

#### 22. LOANS AND BORROWINGS

| Group   | 2021<br>RM′000 | 2020<br>RM'000 |
|---|----------------|----------------|
| Non-current                                       |                |                |
| Bank term loans (a)                               | 2,081          | 3,802          |
| Hire purchases (b)                                | 3,334          | 6,634          |
| Total non-current portion of loans and borrowings | 5,415          | 10,436         |
| Current   |                |                |
| Bank term loans (a)                               | 1,395          | 742            |
| Hire purchases (b)                                | 6,134          | 9,718          |
| Bankers' acceptances (c)                          | 47,920         | 17,102         |
| Revolving credits (d)                             | 161,483        | 171,983        |
| Bank overdrafts (e)                               | 803            | 880            |
| Total current portion of loans and borrowings     | 217,735        | 200,425        |
| Total loans and borrowings                        | 223,150        | 210,861        |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 22. LOANS AND BORROWINGS (continued)

(a) (i) The repayment terms of bank term loans are as follows:

|   | 2021   | 2020   |
|---|--------|--------|
|   | RM'000 | RM'000 |
| Not later than one year                           | 1,395  | 742    |
| Later than one year but not later than five years | 2,081  | 3,802  |
|   | 3,476  | 4,544  |

- (ii) The bank term loans are unsecured and bear effective interest rates ranging from 4.49% to 5.20% (2020: 4.49% to 5.20%) per annum.
- (b) (i) The repayment terms of hire purchases are as follows:

| Future<br>minimum<br>hire purchases | Future<br>finance<br>charges                                   | Present value<br>of minimum<br>hire purchases  |
|-------------------------------------|--|--|
| RM'000                              | RM'000   | RM'000   |
|                                     |  |  |
| 6,453                               | (319)  | 6,134  |
| 3,463                               | (129)  | 3,334  |
| 9,916                               | (448)  | 9,468  |
|                                     |  |  |
| 10,315                              | (597)  | 9,718  |
| 6,809                               | (175)  | 6,634  |
| 17,124                              | (772)  | 16,352   |
|                                     | minimum<br>hire purchases<br>RM'000<br>6,453<br>3,463<br>9,916 | hire purchases RM'000 RM'000  6,453 (319) 3,463 (129)  9,916 (448)  10,315 (597) 6,809 (175) |

- (ii) The hire purchases are secured and bear flat interest rates ranging from 2.45% to 3.42% (2020: 2.47% to 3.50%) per annum.
- (c) The bankers' acceptances are unsecured and bear effective interest rates ranging from 2.10% to 2.73% (2020: 0.80% to 4.40%) per annum.
- (d) Revolving credits are unsecured and bear effective interest rates ranging from 2.65% to 4.21% (2020: 2.63% to 4.44%) per annum.
- (e) Bank overdrafts are unsecured and bears effective interest rate at 5.82% (2020: 5.82%) per annum.

Changes in loans and borrowings arising from financing activities pertain to drawdowns and repayments are presented in consolidated statement of cash flows.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 23. RETIREMENT BENEFITS OBLIGATION

The Group and the Company operate an unfunded defined benefit plan for employees whose entitlements are calculated by reference to their length of service and earnings. Provision for retirement benefits is calculated based on the predetermined rate of basic salaries and length of service of the employees.

The defined benefit plan exposes the Group and the Company to actuarial risks such as longevity risk and interest rate risk.

The movements are as follows:

|   |        | Group  | C      | Company |
|---|--------|--------|--------|---------|
|   | 2021   | 2020   | 2021   | 2020    |
|   | RM'000 | RM'000 | RM'000 | RM'000  |
| Present value of unfunded obligations         |        |        |        |         |
| At 1 January                                  | 10,918 | 10,232 | 1,882  | 1,721   |
| Included in profit or loss                    |        |        |        |         |
| Current service cost                          | 1,075  | 1,251  | -      | 188     |
| Interest costs                                | 377    | 400    | -      | 72      |
|   | 1,452  | 1,651  | -      | 260     |
| Included in other comprehensive income/(loss) |        |        |        |         |
| Actuarial gain                                | (27)   | (191)  | -      | (99)    |
| <u>Other</u>                                  |        |        |        |         |
| Benefits paid                                 | (272)  | (774)  | -      | _       |
| At 31 December                                | 12,071 | 10,918 | 1,882  | 1,882   |

The principal actuarial assumptions used in respect of the retirement benefits obligation were as follows:

| 2021    | 2020          |
|---------|---------------|
| o 4.39% | 4.12 to 4.39% |
| 5.50%   | 5.50%         |
| _       |               |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 23. RETIREMENT BENEFITS OBLIGATION (continued)

Reasonably possible change at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the retirement benefits obligation by the amounts shown below:

|  |          | 2021     | 2020     |          |  |
|--|----------|----------|----------|----------|--|
| Group  | Increase | Decrease | Increase | Decrease |  |
|  | RM'000   | RM'000   | RM'000   | RM'000   |  |
| Discount rate (1% movement) Salary increase rate (1% movement) | (1,085)  | 1,279    | (1,044)  | 1,186    |  |
|  | 892      | (793)    | 752      | (670)    |  |
| Company Salary increase rate (1% movement)                     | 1        | (1)      | 1        | (1)      |  |

Although the analysis does not account for the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

### 24. CONTRACT LIABILITIES

| Group                             | 2021<br>RM'000 | 2020<br>RM'000 |
|-----------------------------------|----------------|----------------|
| Consideration received in advance | 6,962          | 8,770          |
| Maintenance services (a)          | 3,485          | 2,537          |
|                                   | 10,447         | 11,307         |

<sup>(</sup>a) Maintenance services are recognised upon collection of transaction price and being recognised as revenue over the service period.

### 25. TRADE AND OTHER PAYABLES

|                                 | 2021    | 2020    |
|---------------------------------|---------|---------|
| Group                           | RM'000  | RM'000  |
| Trade payables (a)              | 21,209  | 18,733  |
| Related parties - trade (b)     | 43,104  | 55,867  |
| Other payables                  | 12,850  | 4,914   |
| Deposits received               | 17,156  | 19,292  |
| Accruals                        | 24,372  | 22,311  |
| Related parties - non-trade (c) | 12,656  | 11,021  |
|                                 | 131,347 | 132,138 |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### 25. TRADE AND OTHER PAYABLES

|                                 | 2021   | 2020   |
|---------------------------------|--------|--------|
| Company                         | RM'000 | RM'000 |
| Non-current                     |        |        |
| Subsidiaries (d)                | 5,189  | 5,189  |
| Current                         |        |        |
| Other payables                  | 229    | 607    |
| Accruals                        | 45     | 29     |
| Subsidiaries (d)                | 5,027  | 4,326  |
| Related parties - non-trade (c) | 228    | 228    |
|                                 | 5,529  | 5,190  |

- (a) The credit periods granted by trade payables ranging from 30 to 120 (2020: 30 to 120) days.
- (b) The related parties are companies in which a director of the Company has substantial interest. The amounts owing to related parties are trade in nature, unsecured, interest-free and have a credit period of 60 to 120 (2020: 60 to 120) days.
- (c) The amounts owing to related parties are non-trade in nature, unsecured, interest-free and repayable on demand.
- (d) The amounts owing to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand, except for an amount of RM5,189,000 (2020: RM5,189,000) not repayable within the next twelve months and which is subject to interest rate at 4.75% (2020: 4.75%) per annum.

#### 26. DERIVATIVE FINANCIAL ASSET/(LIABILITY)

Forward exchange contracts are entered into by the Group in currencies other than the functional currency to manage exposure to the fluctuation in foreign currency rates. All forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

|                            |                            | 2021            |                     |                            | 2020            |                     |
|----------------------------|----------------------------|-----------------|---------------------|----------------------------|-----------------|---------------------|
| Group                      | Nominal<br>value<br>RM'000 | Asset<br>RM'000 | Liability<br>RM'000 | Nominal<br>value<br>RM'000 | Asset<br>RM'000 | Liability<br>RM'000 |
| Forward exchange contracts | 36,647                     | 11              | (342)               | 24,323                     | -               | (440)               |

## 27. REVENUE

|   |               | Group   |           | Company |                |      |
|---|---------------|---------|-----------|---------|----------------|------|
|   | 2021 2020 202 | 2021    | 2021 2020 |         | 2021 2020 2021 | 2020 |
|   | RM'000        | RM'000  | RM'000    | RM'000  |                |      |
| Revenue from contracts with customers (a) | 287,372       | 230,880 | -         | -       |                |      |
| Revenue from other sources (b)            | 74,593        | 64,398  | 7,642     | 4,563   |                |      |
|   | 361,965       | 295,278 | 7,642     | 4,563   |                |      |

(a) The timing of revenue recognition from contracts with customers is summarised as follows:

|                    | Group   |           | Co     | mpany      |      |      |
|--------------------|---------|-----------|--------|------------|------|------|
|                    | 2021    | 2021 2020 |        | 21 2020 20 | 2021 | 2020 |
|                    | RM'000  | RM'000    | RM'000 | RM'000     |      |      |
| At a point in time | 264,809 | 209,216   | -      | -          |      |      |
| Over time          | 22,563  | 21,664    | -      | -          |      |      |
|                    | 287,372 | 230,880   | -      | -          |      |      |

(b) The breakdown of revenue from other resources is as follows:

|                          | Group     |        |        | Company   |      |      |
|--------------------------|-----------|--------|--------|-----------|------|------|
|                          | 2021 2020 |        | 2021   | 2021 2020 | 2021 | 2020 |
|                          | RM'000    | RM'000 | RM'000 | RM'000    |      |      |
| Dividend income          | -         | -      | 7,642  | 4,563     |      |      |
| Insurance premium income | 3,852     | 4,013  | -      | -         |      |      |
| Lease income             | 70,741    | 60,385 | -      | -         |      |      |
|                          | 74,593    | 64,398 | 7,642  | 4,563     |      |      |

## 28. FINANCE INCOME

|  | Group     |        |        | Company |  |
|--|-----------|--------|--------|---------|--|
|  | 2021 2020 |        | 2021   | 2020    |  |
|  | RM'000    | RM'000 | RM'000 | RM'000  |  |
| Interest income from fixed deposits      | 1,152     | 1,168  | 36     | 41      |  |
| Interest income from short term deposits | 110       | 118    | 9      | 6       |  |
|  | 1,262     | 1,286  | 45     | 47      |  |

cont'd

## 29. FINANCE COSTS

|                      | Group  |        | Cor    | mpany  |
|----------------------|--------|--------|--------|--------|
|                      | 2021   | 2020   | 2021   | 2020   |
|                      | RM'000 | RM'000 | RM'000 | RM'000 |
| Bank term loans      | 507    | 2,440  | -      | -      |
| Bankers' acceptances | 695    | 979    | -      | -      |
| Revolving credits    | 4,571  | 3,917  | -      | -      |
| Hire purchases       | 661    | 1,374  | -      | -      |
| Leases               | 256    | 335    | -      | -      |
| Others               | 84     | 242    | 255    | 362    |
|                      | 6,774  | 9,287  | 255    | 362    |

## 30. (LOSS)/PROFIT BEFORE TAX

| Group   |  | Company   |  |
|---------|--|---|--|
| 2021    | 2020   | 2021  | 2020   |
| RM'000  | RM'000   | RM'000  | RM'000   |
|         |  |   |  |
| 2,323   | 2,604  | -   | -  |
| 626     | 635  | -   | -  |
|         |  |   |  |
| 323     | 216  | 33  | 20   |
| 31      | 26   | -   | -  |
|         |  |   |  |
| 167     | 127  | 10  | 5  |
| 28      | 15   | -   | -  |
| 145     | 149  | -   | -  |
| 40,072  | 46,101   | 2   | 1  |
| 4,106   | 4,821  | -   | -  |
| (6,389) | (4,993)  | -   | -  |
| (207)   | (244)  | -   | -  |
| -       | -  | -   | 9,275  |
| 140     | 68   | -   | -  |
| 1,365   | -  | -   | -  |
| 72      | 98   | -   | -  |
| 397     | 49   | -   | -  |
| 269     | 347  | -   | 1  |
| 1,452   | 1,651  | -   | 260  |
| (1,204) | (415)  | -   | -  |
|         | 2021<br>RM'000<br>2,323<br>626<br>323<br>31<br>167<br>28<br>145<br>40,072<br>4,106<br>(6,389)<br>(207)<br>-<br>140<br>1,365<br>72<br>397<br>269<br>1,452 | 2021 RM'000 RM'000  2,323 2,604 626 635  323 216 31 26  167 127 28 15 145 149 40,072 46,101 4,106 4,821 (6,389) (4,993) (207) (244) 140 68 1,365 72 98 397 49 269 347 1,452 1,651 | 2021<br>RM'000     2020<br>RM'000     2021<br>RM'000       2,323<br>626     2,604<br>635     -       323<br>31     216<br>26     33<br>26       167<br>127<br>100     100<br>28<br>15<br>-<br>28<br>40,072<br>46,101<br>46,101<br>40,072<br>46,101<br>46,101<br>40,072<br>46,101<br>20<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>46,101<br>40,072<br>40,072<br>40,072<br>40,073<br>40,073<br>40,073<br>40,073<br>40,073<br>40,073<br>40,073<br> |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 31. TAX EXPENSE

|  | Group   |         | C      | ompany |
|--|---------|---------|--------|--------|
|  | 2021    | 2020    | 2021   | 2020   |
|  | RM'000  | RM'000  | RM'000 | RM'000 |
| Current tax  |         |         |        |        |
| - current financial year                           | 5,829   | 5,665   | -      | -      |
| - (over)/underprovision in previous financial year | (903)   | 907     | -      | 8      |
| Total current tax                                  | 4,926   | 6,572   | -      | 8      |
| Deferred tax                                       |         |         |        |        |
| - current financial year                           | (3,048) | (7,924) | -      | -      |
| - underprovision in previous financial year        | 4,354   | 8,033   | -      | -      |
| Total deferred tax (note 12)                       | 1,306   | 109     | -      | _      |
| Total tax expense                                  | 6,232   | 6,681   | -      | 8      |

The corporate income tax rate (the "applicable tax rate") in Malaysia is 24% (2020: 24%). Taxation for other jurisdictions is determined at the tax rate prevailing in the respective jurisdictions.

The difference between tax expense and the amount of tax determined by multiplying the (loss)/profit before tax to the applicable tax rate, is analysed as follows:

|  | Group    |          | Company |         |
|--|----------|----------|---------|---------|
|  | 2021     | 2020     | 2021    | 2020    |
|  | RM'000   | RM'000   | RM'000  | RM'000  |
| (Loss)/Profit before tax                       | (27,471) | (58,876) | 5,151   | (8,258) |
| Tax calculated at the applicable tax rate      | (6,593)  | (14,130) | 1,236   | (1,982) |
| Non-deductible expenses                        | 4,027    | 6,468    | 608     | 3,088   |
| Non-taxable income                             | (1,757)  | (1,257)  | (1,844) | (1,106) |
| Deferred tax asset previously not recognised   | 6,985    | 7,063    | -       | -       |
| Difference in tax rates of other jurisdictions | 119      | (403)    | -       | -       |
| Underprovision in previous financial year      | 3,451    | 8,940    | -       | 8       |
|  | 6,232    | 6,681    | -       | 8       |

cont'd

## 32. OTHER COMPREHENSIVE INCOME/(LOSS)

|  |               | 2021          |               |               | 2020          |            |
|--|---------------|---------------|---------------|---------------|---------------|------------|
|  | Before<br>tax | Tax<br>effect | Net<br>of tax | Before<br>tax | Tax<br>effect | Net of tax |
| Group  | RM'000        | RM'000        | RM'000        | RM'000        | RM'000        | RM'000     |
| Items that are or may be reclassified subsequently to profit or loss |               |               |               |               |               |            |
| Change in fair value of cash flow hedge                              | 107           | (26)          | 81            | (62)          | 15            | (47)       |
| Exchange differences on translation of foreign operations            | 11            | -             | 11            | (419)         | -             | (419)      |
| _  | 118           | (26)          | 92            | (481)         | 15            | (466)      |
| Items that will not be reclassified subsequently to profit or loss   |               |               |               |               |               |            |
| Remeasurement of retirement benefits obligation                      | 27            | (6)           | 21            | 191           | (46)          | 145        |
| Revaluation of property, plant and equipment and right-of-use assets | -             | -             | -             | 16,693        | (2,069)       | 14,624     |
| Share of other comprehensive loss of jointly controlled entities     | (9)           | -             | (9)           | (9)           | 2             | (7)        |
| _  | 18            | (6)           | 12            | 16,875        | (2,113)       | 14,762     |
|  | 136           | (32)          | 104           | 16,394        | (2,098)       | 14,296     |
| Company  |               |               |               |               |               |            |
| Item that will not be reclassified subsequently to profit or loss    |               |               |               |               |               |            |
| Remeasurement of retirement benefits obligation                      | -             | -             | -             | 99            | (24)          | 75         |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### 33. BASIC LOSS PER SHARE

The basic loss per share have been calculated by dividing the Group's loss for the financial year attributable to owners of the Company by the weighted average number of shares in issue:

| Group   | 2021     | 2020     |
|---|----------|----------|
| Loss for the financial year attributable to Owners of the Company (RM'000)    | (32,445) | (63,781) |
| Weighted average number of ordinary shares ('000)<br>At 1 January/31 December | 65,101   | 65,101   |
| Basic loss per share (sen)  | (50)     | (98)     |

#### 34. EMPLOYEE INFORMATION

|                                | Group     |        | Company |        |
|--------------------------------|-----------|--------|---------|--------|
|                                | 2021 2020 |        | 2021    | 2020   |
|                                | RM'000    | RM'000 | RM'000  | RM'000 |
| Employee costs                 | 44,216    | 74,467 | 1,200   | 3,373  |
| EPF                            | 5,621     | 7,752  | 80      | 538    |
| Retirement benefits obligation | 1,451     | 2,101  | -       | 473    |
|                                | 51,288    | 84,320 | 1,280   | 4,384  |

### 35. RELATED PARTY DISCLOSURES

For the purpose of the financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Group and the Company have related party relationships with their direct and indirect subsidiaries, associates, jointly controlled entities, and companies in which a director of the Company has substantial interest.

These related party transactions have been entered into in the normal course of business and have been established under negotiated terms.

Other than those related party transactions and outstanding balances disclosed elsewhere in the financial statements, the significant related party transactions are disclosed below:

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

## 35. RELATED PARTY DISCLOSURES (continued)

(a) Transactions with subsidiaries

|     | Company   | 2021<br>RM'000 | 2020<br>RM'000 |
|-----|---|----------------|----------------|
|     | Management fee paid/payable                                 | 563            | 514            |
|     | Finance costs   | 255            | 362            |
| (b) | Transactions with jointly controlled entities               |                |                |
|     |   | 2021           | 2020           |
|     | Group   | RM'000         | RM'000         |
|     | Income from travel agency, car rental and workshop services | 1              | 11             |
|     | Return of goods   | 6              | -              |

(c) Transactions with Tan Chong Motor Holdings Berhad ("TCMH") and APM Automotive Holdings Berhad ("APM") groups, companies in which a director of the Company namely Dato' Tan Heng Chew is deemed to have substantial interests:

|   | Group  |        |        | Company |
|---|--------|--------|--------|---------|
|   | 2021   | 2020   | 2021   | 2020    |
|   | RM'000 | RM'000 | RM'000 | RM'000  |
| With TCMH group   |        |        |        |         |
| Rental income   | 1,646  | 1,516  | -      | -       |
| Sales   | 50,336 | 22,307 | -      | -       |
| Travel agency, car rental and workshop services           | 1,943  | 3,356  | -      | -       |
| Administrative and Information Technology ("IT") services | 4,262  | 3,421  | -      | -       |
| Assembly services and royalty fee                         | 6,236  | 5,270  | -      | -       |
| Hire purchases interest                                   | -      | 54     | -      | -       |
| Insurance agency services                                 | 4,625  | 5,775  | 36     | 22      |
| Lease payments  | 1,558  | 1,701  | -      | -       |
| Purchases   | 46,638 | 3,149  | -      | -       |
| Workshop services   | 1,241  | 1,641  | -      | -       |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

#### 35. RELATED PARTY DISCLOSURES (continued)

(c) Transactions with Tan Chong Motor Holdings Berhad ("TCMH") and APM Automotive Holdings Berhad ("APM") groups, companies in which a director of the Company namely Dato' Tan Heng Chew is deemed to have substantial interests: (continued)

|   | Group  |        | Company |        |
|---|--------|--------|---------|--------|
|   | 2021   | 2020   | 2021    | 2020   |
|   | RM'000 | RM'000 | RM'000  | RM'000 |
| With APM group                                  |        |        |         |        |
| Rental income                                   | 1,231  | 1,110  | -       | -      |
| Sales   | 163    | 561    | -       | -      |
| Travel agency, car rental and workshop services | 279    | 428    | -       | -      |
| Lease payments                                  | 477    | 505    | -       | -      |
| Purchases                                       | 238    | 767    | -       | -      |

#### 36. KEY MANAGEMENT PERSONNEL

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. Key management personnel comprise the director (whether executive or otherwise) of the Company and certain senior management personnel of the Group.

Compensation paid and payable to key management personnel during the financial year comprises:

|     |                         |        | Group  |        | Company |  |
|-----|-------------------------|--------|--------|--------|---------|--|
|     |                         | 2021   | 2020   | 2021   | 2020    |  |
|     |                         | RM'000 | RM'000 | RM'000 | RM'000  |  |
| (a) | Non-executive directors |        |        |        |         |  |
|     | Fees                    | 199    | 202    | 199    | 202     |  |
|     | Allowances              | 61     | 53     | 61     | 53      |  |
|     |                         | 260    | 255    | 260    | 255     |  |



cont'd

## 36. KEY MANAGEMENT PERSONNEL (continued)

|     |   | Group  |        | С      | Company |  |
|-----|---|--------|--------|--------|---------|--|
|     |   | 2021   | 2020   | 2021   | 2020    |  |
|     |   | RM'000 | RM'000 | RM'000 | RM'000  |  |
| (b) | Executive directors   |        |        |        |         |  |
|     | Remuneration  | 2,315  | 2,250  | 1,629  | 1,507   |  |
|     | Other short term employee benefits (including estimated monetary value of benefits- in- |        |        |        |         |  |
|     | kind)   | 6      | 11     | -      | -       |  |
|     | EPF   | 391    | 345    | 309    | 233     |  |
|     | Post-employment benefit   | 234    | 213    | 213    | 213     |  |
|     |   | 2,946  | 2,819  | 2,151  | 1,953   |  |
| (c) | Other key management personnel  |        |        |        |         |  |
|     | Remuneration  | 2,734  | 2,357  | -      | -       |  |
|     | Other short term employee benefits (including estimated monetary value of benefits- in- |        |        |        |         |  |
|     | kind)   | 48     | 64     | -      | -       |  |
|     | EPF   | 320    | 248    | -      | -       |  |
|     | Post-employment benefit   | 111    | 237    | -      | -       |  |
|     |   | 3,213  | 2,906  | -      | -       |  |
|     | Total   | 6,419  | 5,980  | 2,411  | 2,208   |  |
|     | _   |        |        |        |         |  |

The compensation paid and payable to the executive directors was in respect of their contract of service or employment with the Group and the Company.

#### 37. COMMITMENTS

|  | 2021   | 2020   |
|--|--------|--------|
| Group  | RM'000 | RM'000 |
| Approved and contracted capital expenditure (property, plant and equipment) not provided for in the financial statements | 3.592  | 841    |
|  | 0,072  | 011    |

## 38. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

|         |                                    | 2021    | 2020    |
|---------|------------------------------------|---------|---------|
| Group   |                                    | RM'000  | RM'000  |
| (i)     | Financial assets at amortised cost |         |         |
|         | Finance lease receivables          | 11,012  | 15,259  |
|         | Trade and other receivables*       | 86,989  | 81,591  |
|         | Fixed deposits                     | 50,133  | 61,074  |
|         | Cash and bank balances             | 47,646  | 48,610  |
|         |                                    | 195,780 | 206,534 |
| (ii)    | Financial assets at FVTPL          |         |         |
|         | Derivative financial asset         | 11      | _       |
|         | Short term deposits                | 4,434   | 6,224   |
|         |                                    | 4,445   | 6,224   |
| (iii)   | Financial asset at FVTOCI          |         |         |
|         | Other investments                  | 186     | 6       |
| Company |                                    |         |         |
| (i)     | Financial assets at amortised cost |         |         |
|         | Other receivables*                 | 7,099   | 6,953   |
|         | Fixed deposits                     | -       | 164     |
|         | Cash and bank balances             | 4,450   | 647     |
|         |                                    | 11,549  | 7,764   |
| (ii)    | Financial asset at FVTPL           |         |         |
|         | Short term deposits                | -       | 211     |

Trade and other receivables exclude prepayments.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 38. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

| Gro  | up.  | 2021<br>RM'000     | 2020<br>RM'000     |
|------|--|--------------------|--------------------|
| (i)  | Financial liabilities at amortised cost        |                    |                    |
|      | Trade and other payables  Loans and borrowings | 131,347<br>223,150 | 132,138<br>210,861 |
|      |  | 354,497            | 342,999            |
| (ii) | Financial liability at FVTPL                   |                    |                    |
|      | Derivative financial liability                 | 342                | 440                |
| Con  | npany  |                    |                    |
| (i)  | Financial liability at amortised cost          |                    |                    |
|      | Other payables                                 | 10,718             | 10,379             |

### (b) Fair value of financial instruments

Management assessed that the fair values of all financial assets and financial liabilities approximate or are at their carrying amounts mainly due to their short term maturities or interest bearing nature except for the followings:

|                                | Carrying amount | Fair<br>value |
|--------------------------------|-----------------|---------------|
| Group                          | RM'000          | RM'000        |
| 2021                           |                 |               |
| Financial liability            |                 |               |
| Loans and borrowings (level 3) | 223,150         | 223,657       |
| 2020                           |                 |               |
| Financial liability            |                 |               |
| Loans and borrowings (level 3) | 210,861         | 213,301       |

There were no transfers between Level 1, 2 and 3 during the financial year.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 39. FINANCIAL RISK MANAGEMENT

The Group's and the Company's business activities are exposed to a variety of financial risks. The board of directors sets policies, manages and monitors the financial risks relating to the operations of the Group and of the Company. The Group and the Company seek to mitigate the potential adverse effects arising from these risks on the financial position and financial performance of the Group and of the Company. The overall financial risk management is consistent with the previous financial years. There have been no significant changes in the Group's and the Company's exposure to financial risks or the manner in which these risks are managed and measured.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter party default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from various receivables. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counter parties.

As at the end of the reporting period, the maximum exposure to credit risk arising from these financial assets is represented by the carrying amounts in consolidated statement of financial position.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to the increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all receivables who wish to trade on credit terms is subject to credit verification procedures. In addition, receivables balances are monitored on an ongoing basis resulting in the Group's and the Company's exposure to bad debts insignificant. Any receivables having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of reporting period, the Group and the Company did not have any significant exposure to any individual receivable or counter party or any major concentration of credit risk related to any financial asset.

### (b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligation when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from various payables as well as loans and borrowings.

The Group and the Company maintain a level of cash and bank balances and banking facilities deemed adequate by management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 39. FINANCIAL RISK MANAGEMENT (continued)

### (b) Liquidity risk (continued)

### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations:

|                                | Within one year | One to five years | Total   |
|--------------------------------|-----------------|-------------------|---------|
| Group                          | RM'000          | RM'000            | RM'000  |
| 2021                           |                 |                   |         |
| Trade and other payables       | 131,347         | -                 | 131,347 |
| Loans and borrowings           | 217,735         | 7,950             | 225,685 |
| Derivative financial liability | 342             | -                 | 342     |
|                                | 349,424         | 7,950             | 357,374 |
| Lease liabilities              | 3,183           | 569               | 3,752   |
|                                | 352,607         | 8,519             | 361,126 |
| 2020                           |                 |                   |         |
| Trade and other payables       | 132,138         | -                 | 132,138 |
| Loans and borrowings           | 200,425         | 22,636            | 223,061 |
| Derivative financial liability | 440             | -                 | 440     |
|                                | 333,003         | 22,636            | 355,639 |
| Lease liabilities              | 3,812           | 1,098             | 4,910   |
|                                | 336,815         | 23,734            | 360,549 |
| Company                        |                 |                   |         |
| 2021                           |                 |                   |         |
| Other payables                 | 5,529           | 6,464             | 11,993  |
| 2020                           |                 |                   |         |
| Other payables                 | 5,190           | 6,999             | 12,189  |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 39. FINANCIAL RISK MANAGEMENT (continued)

### (c) Interest rate risk

The Group and the Company are exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Exposure to interest rate risk is primarily related to the Group's interest-bearing borrowings, short term deposits and fixed deposits.

The Group's and the Company's policy are to borrow using a mix of fixed and floating rates. The objective is to reduce the impact of a rise in interest rates and to enable savings to be enjoyed if interest rates fall.

Surplus funds are placed with licensed financial institutions to earn interest income based on prevailing market rates. The Group and the Company manage their interest rate risk by placing such funds on short tenures of twelve months or less.

### Sensitivity analysis for interest rate risk

The financial impact arising from changes in interest rate is not expected to be significant, accordingly the sensitivity has not been presented.

### (d) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk on sales, purchases as well as cash and bank balances that are denominated in a currency other than the functional currency of the Group. The major currencies giving rise to this risk are primarily United States Dollar ("USD"), Chinese Renminbi ("CNY"), Japanese Yen ("JPY") and Euro ("EUR").

The Group hedges part of its foreign currency denominated trade receivables and trade payables. At any point in time the Group also hedges part of its estimated foreign currency exposure in respect of the forecast sales and purchases over the following six months. The Group uses forward exchange contracts to hedge its foreign currency exchange risk. All forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 39. FINANCIAL RISK MANAGEMENT (continued)

(d) Foreign currency exchange risk (continued)

The Group's exposure to foreign currency exchange risk, based on carrying amounts as at the end of the reporting period is as follows:

| Group                  |        |       | Denominated i | in    |        |
|------------------------|--------|-------|---------------|-------|--------|
| In RM'000              | USD    | CNY   | JPY           | EUR   | Others |
| 2021                   |        |       |               |       |        |
| Trade receivables      | 2,380  | 2,765 | -             | -     | -      |
| Trade payables         | (890)  | -     | -             | (162) | (3)    |
| Cash and bank balances | 17,801 | 2     | 9             | -     | -      |
| Net exposure           | 19,291 | 2,767 | 9             | (162) | (3)    |
| 2020                   |        |       |               |       |        |
| Trade receivables      | 1,567  | 1,107 | 428           | -     | -      |
| Trade payables         | (468)  | -     | -             | (163) | (3)    |
| Cash and bank balances | 12,094 | 2     | 18            | 1     | -      |
| Net exposure           | 13,193 | 1,109 | 446           | (162) | (3)    |

### Sensitivity analysis for foreign currency exchange risk

A sensitivity analysis has been performed on the outstanding foreign currency receivables, payables as well as cash and bank balances of the Group as at the end of the reporting period.

A 10% strengthening or weakening of the abovementioned foreign currencies against Ringgit Malaysia as at the end of the reporting period would decrease or increase post-tax loss by approximately RM1,665,000 (2020: RM1,108,000), with all other variables remaining constant.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 40. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and to safeguard the Group's ability to continue as a going concern, so as to maintain investors', creditors' and markets' confidence and to sustain future development of the business. The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns.

The gearing ratios are as follows:

| Group  | 2021     | 2020     |
|--|----------|----------|
|  | RM'000   | RM'000   |
| Loans and borrowings                               | 223,150  | 210,861  |
| Lease liabilities                                  | 3,479    | 4,572    |
| Less: Short term deposits                          | (4,434)  | (6,224)  |
| Fixed deposits                                     | (50,133) | (61,074) |
| Cash and bank balances                             | (47,646) | (48,610) |
| Net debt   | 124,416  | 99,525   |
| Total equity attributable to owners of the Company | 242,183  | 274,524  |
| Gearing ratio                                      | 51%      | 36%      |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

cont'd

### 41. SEGMENTAL ANALYSIS

|   | Mac      | hinery   |          | el and<br>rental | Auto    | motive  | Ot      | thers   | Т        | otal     |
|---|----------|----------|----------|------------------|---------|---------|---------|---------|----------|----------|
|   | 2021     | 2020     | 2021     | 2020             | 2021    | 2020    | 2021    | 2020    | 2021     | 2020     |
|   | RM'000   | RM'000   | RM'000   | RM'000           | RM'000  | RM'000  | RM'000  | RM'000  | RM'000   | RM'000   |
| Segment profit/(loss)   | 23,818   | 21,619   | 11,423   | (4,811)          | (7,266) | (4,946) | (2,249) | (8,908) | 25,726   | 2,954    |
| Included in the measure of segment profit/(loss)  |          |          |          |                  |         |         |         |         |          |          |
| Revenue from external customers   | 169,829  | 148,833  | 52,224   | 64,122           | 130,538 | 71,960  | 9,374   | 10,363  | 361,965  | 295,278  |
| Impairment loss on property, plant and equipment  | -        | (66)     | (140)    | -                | -       | -       | -       | (2)     | (140)    | (68)     |
| Inter-segment revenue   | -        | -        | -        | 39               | -       | -       | -       | -       | -        | 39       |
| Inventories written down  | (1,878)  | (432)    | -        | -                | (299)   | -       | (655)   | -       | (2,832)  | (432)    |
| Share of results of equity accounted associates   | -        | -        | -        | -                | -       | -       | (318)   | (484)   | (318)    | (484)    |
| Share of results of equity accounted jointly controlled entities  | -        | -        | -        | -                | -       | -       | (3,749) | (6,484) | (3,749)  | (6,484)  |
| Not included in the measure<br>of segment profit/(loss) but<br>provided to Chief Operating<br>Decision Makers |          |          |          |                  |         |         |         |         |          |          |
| Depreciation and amortisation   | (15,189) | (16,675) | (25,471) | (30,596)         | (3,175) | (3,241) | (728)   | (864)   | (44,563) | (51,376) |
| Finance costs   | (2,941)  | (3,743)  | (2,972)  | (4,450)          | (839)   | (1,039) | (8)     | (44)    | (6,760)  | (9,276)  |
| Finance income  | 540      | 326      | 393      | 539              | 15      | 15      | 223     | 359     | 1,171    | 1,239    |
| Tax (expense)/income  | (2,057)  | (885)    | (3,577)  | (4,955)          | (8)     | 17      | (590)   | (858)   | (6,232)  | (6,681)  |
| Segment assets  | 259,901  | 258,884  | 166,018  | 215,088          | 102,981 | 75,613  | 95,852  | 96,345  | 624,752  | 645,930  |
| Included in the measure of segment assets   |          |          |          |                  |         |         |         |         |          |          |
| Additions to non-current assets other than financial instruments and deferred tax asset                       | 12,935   | 15,967   | 15,000   | 20,287           | 1,136   | 242     | 3       | 215     | 29,074   | 36,711   |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 41. SEGMENTAL ANALYSIS (continued)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities as well as other material items:

|  |                               |   |                            |                             | 2021<br>RM'000              | 2020<br>RM′000                                  |
|--|-------------------------------|---|----------------------------|-----------------------------|-----------------------------|---|
| Loss before tax  |                               |   |                            |                             |                             |   |
| Total profit for reportable segmen   | ts                            |   |                            |                             | 25,726                      | 2,954   |
| Depreciation and amortisation  |                               |   |                            |                             | (44,804)                    | (51,557)  |
| Finance costs  |                               |   |                            |                             | (6,774)                     | (9,287)   |
| Finance income   |                               |   |                            |                             | 1,262                       | 1,286   |
| Non-reportable segment expenses  | S                             |   |                            |                             | (2,881)                     | (2,272)   |
|  |                               |   |                            |                             | (27,471)                    | (58,876)  |
|  | External<br>revenue<br>RM'000 | Depreciation<br>and<br>amortisation<br>RM'000 | Finance<br>costs<br>RM'000 | Finance<br>income<br>RM'000 | Segment<br>assets<br>RM'000 | Additions to<br>non-current<br>assets<br>RM'000 |
| 2021   |                               |   |                            |                             |                             |   |
| Total reportable segments  | 361,965                       | (44,563)                                      | (6,760)                    | 1,171                       | 624,752                     | 29,074  |
| Other non-reportable segments  | -                             | (241)   | (14)                       | 91                          | 7,137                       | 284   |
| Share of assets from equity accounted associates and jointly controlled entities | -                             | -   | -                          | -                           | 31,257                      | -   |
| _  | 361,965                       | (44,804)                                      | (6,774)                    | 1,262                       | 663,146                     | 29,358  |
| 2020   |                               |   |                            |                             |                             | -   |
| Total reportable segments  | 295,278                       | (51,376)                                      | (9,276)                    | 1,239                       | 645,930                     | 36,711  |
| Other non-reportable segments  | -                             | (181)   | (11)                       | 47                          | 3,414                       | 25  |
| Share of assets from equity accounted associates and jointly controlled entities | -                             | -   | -                          | -                           | 35,893                      | -   |
| _  | 295,278                       | (51,557)                                      | (9,287)                    | 1,286                       | 685,237                     | 36,736  |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 cont'd

### 42. COMPARATIVE FIGURES

Certain comparative figures, as follows, have been restated to conform with current financial year's presentation:

|   | As previously<br>stated<br>RM'000 | Reclassification<br>RM'000 | As restated<br>RM'000 |
|---|-----------------------------------|----------------------------|-----------------------|
| Consolidated Statement of Financial Position as at 31 December 2020 |                                   |                            |                       |
| Property, plant and equipment                                       | 248,198                           | (21,076)                   | 227,122               |
| Right-of-use assets   | 4,404                             | 21,076                     | 25,480                |

### 43. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the board of directors on 11 April 2022.

### STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Keng Meng and Chin Yen Song, being two of the directors of Warisan TC Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 73 to 152 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

TAN KENG MENG

Director

**CHIN YEN SONG** 

Director

Kuala Lumpur

## STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lee Koon Seng, being the officer primarily responsible for the financial management of Warisan TC Holdings Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 73 to 152 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Lee Koon Seng at Kuala Lumpur in the Federal Territory on 11 April 2022

Before me:

TAN KIM CHOOI NO.W661 Commissioner for Oaths (Pesuruhjaya Sumpah) Kuala Lumpur LEE KOON SENG

Chartered Accountant MIA Membership No.: CA 8143



NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting of WARISAN TC HOLDINGS BERHAD will be held virtually through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 2 June 2022 at 10:30 a.m. to transact the following businesses:

### **Ordinary Business**

1. To lay the Audited Financial Statements for the financial year ended 31 December 2021 (Please refer to together with the Reports of the Directors and Auditors thereon. Explanatory Note 1)

2. To re-elect the following Director who retires by rotation and being eligible, has offered himself for re-election, in accordance with Article 98 of the Company's Constitution, as a Director of the Company:

(i) Mr. Lee Min On Ordinary Resolution 1

Mr. Chin Ten Hoy, who also retires by rotation in accordance with Article 98 of the Company's Constitution, has expressed his intention not to seek for re-election as a Director of the Company. Hence, he shall retain office until the conclusion of the Twenty-Fifth Annual General Meeting.

 To re-elect Ms. Chin Yen Song, a Director of the Company, who retires and being eligible, has offered herself for re-election, in accordance with Article 77 of the Company's Constitution.

Ordinary Resolution 2

4. To approve the payment of Directors' fees of up to an amount of RM330,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 3 June 2022 until the next Annual General Meeting of the Company.

**Ordinary Resolution 3** 

 To approve the payment of Directors' benefits of up to an amount of RM120,000 in aggregate to the Independent Non-Executive Directors of the Company during the course of the period from 3 June 2022 until the next Annual General Meeting of the Company.

Ordinary Resolution 4

6. To re-appoint Mazars PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration.

**Ordinary Resolution 5** 

### **As Special Business**

To consider and if thought fit, to pass the following resolutions:

### 7. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT approval be and is hereby given for Datuk Abdullah bin Abdul Wahab who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to be designated as an Independent Non-Executive Director of the Company."

**Ordinary Resolution 6** 

cont'd

## 8. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that –

- (i) the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the purchase; and
- (ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force.

THAT an amount not exceeding the Company's retained profits be allocated by the Company for the Proposed Share Buy-Back.

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until –

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities."

**Ordinary Resolution 7** 

cont'd

### PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH TAN CHONG MOTOR HOLDINGS BERHAD AND ITS SUBSIDIARIES

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with Tan Chong Motor Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.1 of the Company's Circular to Shareholders dated 29 April 2022 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

THAT such approval shall continue to be in force until -

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

**Ordinary Resolution 8** 

### 10. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS WITH APM AUTOMOTIVE HOLDINGS BERHAD AND ITS SUBSIDIARIES

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("WTCH Group") to enter into all arrangements and/or transactions with APM Automotive Holdings Berhad and its subsidiaries involving the interest of Directors, major shareholders or persons connected with Directors and/or major shareholders of the WTCH Group ("Related Parties") including those as set out in Paragraph 3.3.1.2 of the Company's Circular to Shareholders dated 29 April 2022 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders ("Shareholders' Mandate").

cont'd

THAT such approval shall continue to be in force until -

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders' Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

**Ordinary Resolution 9** 

11. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

**ANG LAY BEE** [SSM PC No. 201908003958 (MAICSA 0825641)] **LEE KOON SENG** [SSM PC No. 202108000587 (MIA 8143)] Company Secretaries

Kuala Lumpur 29 April 2022

### NOTES:

- 1. The Twenty-Fifth Annual General Meeting ("25<sup>th</sup> AGM") of the Company will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. Please follow the procedures provided in the Administrative Notes for the 25<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
- 2. The broadcast venue of the 25<sup>th</sup> AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The broadcast venue of the 25<sup>th</sup> AGM is to inform shareholders where the electronic 25<sup>th</sup> AGM production and streaming would be conducted from. No member(s)/proxy(ies) will be allowed to physically present at the broadcast venue on the day of the meeting.
- 3. A depositor whose name appears in Record of Depositors of the Company as at 26 May 2022 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at the 25<sup>th</sup> AGM via RPV facilities.

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- 4. A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting via RPV facilities. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 25th AGM of the Company.
- 5. Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
- 6. Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- 7. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
  - (i) the securities account number;
  - (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
  - (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.
- 8. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.
- 9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
- 10. The instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 25<sup>th</sup> AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 25<sup>th</sup> AGM or not later than 31 May 2022 at 10:30 a.m.:
  - (a) In hard copy form
    - Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;
  - (b) By electronic means via TIIH Online
    - By electronic means to the electronic address at Tricor's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms; and
  - (c) By electronic means via email
    - By electronic mail (email) to Tricor's email address at <u>is.enquiry@my.tricorglobal.com</u> to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 10(a) above.
- 11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 25<sup>th</sup> AGM will be put to vote by poll.

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### **EXPLANATORY NOTES ON ORDINARY / SPECIAL BUSINESS**

### (1) Item 1 of the Agenda - Audited Financial Statements for financial year ended 2021

The laying of the Audited Financial Statements under Item 1 of the Agenda in accordance with Section 340(1)(a) of the Companies Act, 2016 is for the purposes of presenting the Audited Financial Statements to the shareholders and does not require approval of the shareholders.

## (2) Ordinary Resolutions 1 and 2 – Re-election of Directors pursuant to Articles 98 and 77 of the Company's Constitution

The profiles of the Directors, namely Mr. Lee Min On and Ms. Chin Yen Song who are standing for re-election under Items 2 and 3 of the Agenda are set out in the Profile of Directors of the Annual Report 2021.

Based on the recommendations of Nominating and Remuneration Committee of the Company, the Board (except for the retiring directors) collectively supports the re-election of Mr. Lee Min On and Ms. Chin Yen Song as Directors of the Company based on the following justifications:

- (i) they have meet the criteria of skills, knowledge, expertise, experience, competency, time commitment, character, professionalism and integrity to effectively discharge their respective roles as Directors of the Company;
- (ii) they have exercised due care and carried out their professional duties proficiently during their tenure as Directors of the Company;
- (iii) from their wealth of expertise and experience possessed, they will continue to bring sound judgement and valuable contribution to the Board deliberations and decision making by the Board; and
- (iv) there has been no interest, position or relationship of these Directors that might influence, or perceived to influence, in a material respect, their capacity to bring an independent or informed judgement to bear on issues before the Board and to act in the best interests of the Company as a whole.

### (3) Ordinary Resolutions 3 and 4 - Directors' Fees and Benefits

In accordance with Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company pays Directors' fees and benefits to the Independent Non-Executive Directors ("INEDs"). The Executive Directors do not receive any fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their contract of service or employment which do not require approval by the shareholders.

The Board recommends that shareholders approve a maximum aggregate amount of RM330,000 for the payment of Directors' fees to the INEDs of the Company during the course of the period from 3 June 2022 until the next Annual General Meeting of the Company.

The Board also recommends that shareholders approve a maximum aggregate amount of RM120,000 for the payment of benefits to the INEDs of the Company which mainly consist of meeting allowance (for acting as Chairman of the Meeting, not more than RM1,500 per meeting and for acting as Board/Board Committee members, not more than RM1,200 per meeting) during the course of the period from 3 June 2022 until the next Annual General Meeting of the Company.

### (4) Ordinary Resolution 6 - Continuing in office as Independent Non-Executive Director

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event that the Company intends to retain the independent director who has served in that capacity for more than nine (9) years.

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Following an assessment and recommendation by the Nominating and Remuneration Committee, the Board recommends that Datuk Abdullah bin Abdul Wahab who has served as INED for a cumulative term of more than nine (9) years to continue to be designated as INED of the Company based on the following key justifications:

- (i) he fulfils the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, therefore, is able to bring independent and objective judgement to the Board;
- (ii) his relevant experience and expertise in entrepreneurial skill, legislative and administrative aspects would enable him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contributions and competence;
- (iii) he possesses greater insight and knowledge of the businesses, operations and business strategies of the Group which enable him to contribute actively and effectively during deliberations at Board Committees and Board meetings;
- (iv) he is able to raise his independence views and devote sufficient time and exercise due care as Independent Director of the Company and carry out his duty diligently in the interest of the Company and shareholders; and
- (v) from his good attendance record at Board and Board Committee meetings, it is demonstrable of his commitment towards the Company's needs.

### (5) Ordinary Resolution 7 – Proposed Renewal of Authority for the Company to Purchase Its Own Shares

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company at any point in time of the purchase ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the retained profits of the Company. This authority will continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held, or revoked or varied by an ordinary resolution passed by the shareholders in a general meeting, whichever occurs first.

Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 29 April 2022 which is available at the Company's website at <a href="https://www.warisantc.com.my">https://www.warisantc.com.my</a>.

### (6) Ordinary Resolutions 8 and 9 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The proposed Ordinary Resolutions 8 and 9, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on Ordinary Resolutions 8 and 9 are set out in the Circular to Shareholders dated 29 April 2022 which is available at the Company's website at <a href="https://www.warisantc.com.my">https://www.warisantc.com.my</a>.

#### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the Twenty-Fifth Annual General Meeting of the Company ("25th AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the 25th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 25th AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



### [Registration No. 199701009338 (424834-W)] (Incorporated in Malaysia)

### ADMINISTRATIVE NOTES FOR TWENTY-FIFTH ANNUAL GENERAL MEETING

Date : Thursday, 2 June 2022

Time : 10:30 a.m.

Broadcast Venue : Tricor Business Centre, Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business

Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

#### MODE OF MEETING

- 1. As part of the safety measures to safeguard the wellbeing of shareholders, the Twenty-Fifth Annual General Meeting ("25th AGM") of the Company will be held virtually through live streaming from the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers by the Securities Commission Malaysia.
- 2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 25<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

### ANNUAL REPORT 2021 AND CIRCULAR TO SHAREHOLDERS

- The following documents are available on the Company's website at <a href="https://www.warisantc.com.my">https://www.warisantc.com.my</a> and Bursa Malaysia Securities Berhad's website at <a href="https://www.bursamalaysia.com">https://www.bursamalaysia.com</a>:
  - (a) Annual Report 2021 ("AR 2021")
  - (b) Circular to Shareholders ("Circular")
- 2. If you need a copy of the printed AR 2021 and/or Circular, please fax or email your request to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at fax number and email address stated below. Alternatively, you may request online via Tricor's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> by selecting "Request for Annual Report" under the "Investor Services".

### DOOR GIFT/FOOD VOUCHER

There will be NO distribution of door gifts or food vouchers to shareholders/proxies who participate in the 25th AGM.

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### REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

- Shareholders are advised to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 25<sup>th</sup> AGM using RPV facilities provided by Tricor via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.
- 2. Shareholders who appoint proxies to participate via RPV facilities in the 25<sup>th</sup> AGM must ensure that the duly executed Forms of Proxy are deposited either in hard copy form or by electronic means via TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> to Tricor not later than Tuesday, 31 May 2022 at 10:30 a.m.
- Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than Tuesday, 31 May 2022 at 10:30 a.m. to participate via RPV facilities in the 25th AGM.
- 4. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than **Tuesday**, **31 May 2022 at 10:30 a.m**. to participate via RPV facilities in the 25<sup>th</sup> AGM. If the power of attorney is submitted by electronic mail (email) to Tricor's email address at <u>is.enquiry@my.tricorglobal.com</u>, it must be followed by the depositing of a hard copy of the power of attorney at Tricor's office.
- 5. A shareholder who has appointed a proxy or attorney or authorised representative to participate and vote at the 25th AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV facilities at TIIH Online website at <a href="https://tiih.online.">https://tiih.online.</a>

### PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions to the Board in advance of the 25<sup>th</sup> AGM via Tricor's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> by selecting "e-Services" to login, pose questions and submit electronically not later than Tuesday, 31 May 2022 at 10:30 a.m. The Board will endeavour to answer the questions received at the 25<sup>th</sup> AGM.

#### PROCEDURES FOR RPV FACILITIES

Please read and follow the procedures and actions below to participate and vote at the 25<sup>th</sup> AGM remotely using the RPV facilities:

| Procedure                                 |   | Action   |  |  |  |  |
|---|---|--|--|--|--|--|
| BEFORE THE DAY OF THE 25 <sup>™</sup> AGM |   |  |  |  |  |  |
| (a)                                       | Register as a<br>user with TIIH<br>Online | <ul> <li>Access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services" select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> <li>If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.</li> </ul> |  |  |  |  |

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| Pro | cedure  | Action  |
|-----|---|---|
| (b) | Submit your<br>registration for RPV<br>facilities | <ul> <li>Registration is open from Friday, 29 April 2022 until such time before the voting session ends at the 25th AGM on Thursday, 2 June 2022.</li> <li>Shareholders, proxies, corporate representatives or attorney(s) are required to pre-register their attendance for the 25th AGM for verification of their eligibility to attend the 25th AGM using the RPV facilities.</li> </ul> |
|     |   | <ul> <li>Login with your user ID (i.e. e-mail address) and password and select the corporate<br/>event: "(REGISTRATION) WARISAN TC 25<sup>TH</sup> AGM".</li> </ul>   |
|     |   | Read and agree to the Terms & Conditions and confirm the Declaration.   |
|     |   | Select "Register for Remote Participation and Voting".  |
|     |   | Review your registration and proceed to register.   |
|     |   | System will send an e-mail to notify that your registration for remote participation is received and will be verified.  |
|     |   | <ul> <li>After verification of your registration against the General Meeting Record of<br/>Depositors as at 26 May 2022, the system will send you an e-mail after 31 May 2022<br/>to approve or reject your registration for remote participation.</li> </ul>   |
|     |   | (Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV in order that you can login to TIIH Online and participate at the 25 <sup>th</sup> AGM remotely.)  |
| ON  | THE DAY OF THE 25 <sup>TH</sup>                   | AGM   |
| (c) | Login to<br>TIIH Online                           | <ul> <li>Login with your user ID and password for remote participation at the 25<sup>th</sup> AGM at any time from 9:30 a.m. i.e. 1 hour before the commencement of the 25<sup>th</sup> AGM on Thursday, 2 June 2022 at 10:30 a.m.</li> </ul>   |
| (d) | Participate<br>through Live<br>Streaming          | • Select the corporate event: "(LIVE STREAM MEETING) WARISAN TC 25 <sup>TH</sup> AGM" to engage in the proceedings of the 25 <sup>th</sup> AGM remotely.  |
|     | J   | • If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will endeavour to respond to the questions submitted by remote participants during the 25th AGM.   |
|     |   | • The quality of your connection to the live streaming is dependent on the bandwidth and stability of the internet connection at your location and the device you are using.  |
|     |   | • In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, please call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to <a href="mailto:tiih.online@my.tricorglobal.com">tiih.online@my.tricorglobal.com</a> for assistance.                            |

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| Procedure |                             | Action   |  |  |  |
|-----------|-----------------------------|--|--|--|--|
| (e)       | Online Remote<br>Voting     | <ul> <li>Voting session commences from 10:30 a.m. on Thursday, 2 June 2022 until a time<br/>when the Chairman announces the end of the voting session of the 25<sup>th</sup> AGM.</li> </ul>         |  |  |  |
|           |                             | • Select the corporate event: "(REMOTE VOTING) WARISAN TC 25 <sup>TH</sup> AGM" or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box. |  |  |  |
|           |                             | Read and agree to the Terms & Conditions and confirm the Declaration.  |  |  |  |
|           |                             | Select the CDS account that represents your shareholdings.   |  |  |  |
|           |                             | Indicate your votes for the resolutions that are tabled for voting.  |  |  |  |
|           |                             | Confirm and submit your votes.   |  |  |  |
| (f)       | End of remote participation | • Upon the announcement by the Chairman on the conclusion of the 25 <sup>th</sup> AGM, the live streaming will end.  |  |  |  |

#### APPOINTMENT OF PROXY

- The 25<sup>th</sup> AGM will be conducted on a virtual basis, if you are unable to attend the meeting via RPV facilities on 2
  June 2022, you may appoint the Chairman of the meeting as your proxy and indicate your voting instructions in the
  Form of Proxy.
- 2. The instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 25<sup>th</sup> AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 25<sup>th</sup> AGM or not later than **Tuesday, 31 May 2022 at 10:30 a.m.**:

### (a) In hard copy form

Either by hand or post to the Company's Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

### (b) By electronic means via email

By electronic mail (email) to Tricor's email address at <u>is.enquiry@my.tricorglobal.com</u> to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated above; and

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### (c) By electronic means via TIIH Online

By electronic means to the electronic address at Tricor's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. The steps to submit the Form of Proxy are summarised below:

| Procedure                                      | Action  |  |  |  |  |  |  |
|--|---|--|--|--|--|--|--|
| i. Steps for Individ                           | i. Steps for Individual Shareholders  |  |  |  |  |  |  |
| Register as a User<br>with TIIH Online         | <ul> <li>Access the website at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>   |  |  |  |  |  |  |
| Proceed with<br>submission of Form<br>of Proxy | <ul> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: WARISAN TC 25<sup>TH</sup> AGM - "SUBMISSION OF PROXY FORM".</li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>Review and confirm your proxy(s) appointment.</li> <li>Print the Form of Proxy for your record.</li> </ul>  |  |  |  |  |  |  |
| ii. Steps for corpor                           | ation or institutional shareholders   |  |  |  |  |  |  |
| Register as a User<br>with TIIH Online         | <ul> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder".</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> <li>Note: The representative of a corporation or institutional shareholder must register as a user first in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</li> </ul> |  |  |  |  |  |  |
| Proceed with<br>submission of Form<br>of Proxy | <ul> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Select the corporate exercise name: "WARISAN TC 25<sup>TH</sup> AGM - SUBMISSION OF PROXY FORM".</li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxy(s) by inserting the required data.</li> <li>Submit the proxy appointment file.</li> <li>Login to TIIH Online, select corporate exercise name: "WARISAN TC 25<sup>TH</sup> AGM - SUBMISSION OF PROXY FORM".</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select "Submit" to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>                                  |  |  |  |  |  |  |



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### **POLL VOTING**

- The voting at the 25<sup>th</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting) and Asia Securities Sdn Berhad as Scrutineers to verify the poll results.
- 2. Shareholders/proxies/corporate representatives can proceed to vote remotely on the resolutions at any time from the commencement of the 25<sup>th</sup> AGM at 10:30 a.m. on Thursday, 2 June 2022 but before the end of the voting session which will be announced by the Chairman of the meeting. Please refer to the "Procedures for RPV facilities" above for guidance on how to vote remotely from TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.
- 3. Upon completion of the voting session for the 25<sup>th</sup> AGM, the Scrutineers will verify the poll results and to be followed by the Chairman's declaration whether the resolutions are duly passed.

### **ENQUIRY**

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except on public holidays):

### Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299 Fax No. : +603-2783 9222

Email : <u>is.enquiry@my.tricorglobal.com</u>

Contact Persons : Ms. Lim Lay Kiow (<u>Lay.Kiow.Lim@my.tricorglobal.com</u>)

Puan Siti Zalina Osmin (<u>Siti.Zalina@my.tricorglobal.com</u>) Mr. Lim Jia Jin (<u>Jia.Jin.Lim@my.tricorglobal.com</u>)

### PERSONAL DATA PRIVACY

Please refer to the Company's compliance with the Personal Data Protection Act 2010 notice as found in the Company's Annual Report 2021.

## **FORM OF PROXY**

|  |   | Number of shares held   |         |   |             |                |
|--|---|---|---------|---|-------------|----------------|
|  |   | Shareholder's email add   | dress   |   |             |                |
| A A /  |   |   |         | , , ,                                       |             |                |
| /We  |   |   |         |   |             |                |
| NRIC No./Company No.                                 |   | (new) .   |         |   |             | (old           |
| of   |   |   |         |   |             |                |
|  |   |   |         |   | (           | full address   |
| elephone no  |   | being a m   | ember   | s) of WARISAN TC I                          | HOLDING     | S BERHAD       |
| nereby appoint                                       |   |   | (nam    | e of proxy as per NI                        | RIC, in cap | oital letters) |
| AIRIC No   | o (new)   |   |         |   |             | (old) and      |
|  |   |   |         |   |             |                |
|  |   |   |         |   |             |                |
| NRIC No  | (new) (o  |   |         |   |             | ing him/her,   |
| Centre, Manuka 2 & 3,                                | Unit 29-01, Level 29, To  | tually through live streami<br>ower A, Vertical Business<br>ursday, 2 June 2022 at 10 | Suite,  | Avenue 3, Bangsar                           | South, N    | No. 8, Jalar   |
| No.  | Resolution  |   |         |   | For         | Against        |
| Ordinary Resolution 1                                | Re-election of Mr. Lee Min On as Director   |   |         |   |             |                |
| Ordinary Resolution 2                                | Re-election of Ms. Chin Yen Song as Director  |   |         |   |             |                |
| Ordinary Resolution 3                                | Directors' Fees   |   |         |   |             |                |
| Ordinary Resolution 4                                | Directors' Benefits   |   |         |   |             |                |
| Ordinary Resolution 5                                | Re-appointment of Mazars PLT as Auditors  |   |         |   |             |                |
| Ordinary Resolution 6                                | Continuing in office as Independent Non-Executive Director for Datuk<br>Abdullah bin Abdul Wahab                                  |   |         |   |             |                |
| Ordinary Resolution 7                                | Proposed Renewal of Authority for the Company to purchase its own shares  |   |         |   |             |                |
| Ordinary Resolution 8                                | Proposed Shareholders' Mandate for Recurrent Related Party Transactions with Tan Chong Motor Holdings Berhad and its subsidiaries |   |         |   |             |                |
| Ordinary Resolution 9                                | Proposed Shareholders' Mandate for Recurrent Related Party Transactions with APM Automotive Holdings Berhad and its subsidiaries  |   |         |   |             |                |
| Please indicate with an<br>vote or abstain from voti |   | led how you wish your vot   | te to b | e cast. If you do not                       | do so, th   | e proxy wil    |
| Signature of Member(s)                               | /Attorney of Member(s)  |   |         | mmon Seal of Memb<br>(if the appointer is a |             |                |
| Date:  |   |   |         |   |             |                |
|  | For appointment of two prosshareholdings to be represented  |   |         |   |             |                |
|  |   |   |         | No. of shares                               | <u>F</u>    | Percentage     |
|  |   | Prox  | xy 1    |   |             | %              |
|  |   | Prox  | -       |   |             | %              |
|  |   | Tota  | -       |   |             | 100%           |

CDS Account No.

#### NOTES:

- The Twenty-Fifth Annual General Meeting ("25th AGM") of the Company will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. Please follow the procedures provided in the Administrative Notes for the 25th AGM in order to register, participate and vote remotely via the RPV facilities.
- The broadcast venue of the 25th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The broadcast venue of the 25th AGM is to inform shareholders where the electronic 25th AGM production and streaming would be conducted from. No member(s)/proxy(ies) will be allowed to physically present at the broadcast venue on the day of the meeting.
- 3. A depositor whose name appears in Record of Depositors of the Company as at 26 May 2022 ("Record of Depositors") shall be regarded as a member entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote at the 25th AGM via RPV facilities.
- A member, other than a member who is also an Authorised Nominee (as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA")) or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, may appoint more than one (1) proxy but not more than two (2) proxies to attend and vote for him at the meeting via RPV facilities. A member shall be entitled to appoint another person to be his proxy to exercise all or any of his rights to attend, participate, speak and vote at the 25th AGM of the Company.

  Subject to Note 8 below, where a member is a Depositor who is also an Authorised Nominee, the Authorised Nominee may appoint more than one (1) proxy but not more
- than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
- Subject to Note 8 below, where a member is a Depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify: the securities account number:
  - the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
- (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.

  Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint more than one (1) but not more than two (2) persons to act as proxies of the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

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Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] Registrar for WARISAN TC HOLDINGS BERHAD [Registration No. 199701009338 (424834-W)] Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia

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- 9 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy (the "Form of Proxy") and the Power of Attorney or any other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the 25th AGM shall be deposited or submitted in the following manner not less than forty-eight hours before the time appointed for the 25th AGM or not later than 31 May 2022 at 10:30 a.m.:

Either by hand or post to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; (Tel. +603-2783 9299) or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

By electronic means via TIIH Online

By electronic means to the electronic address at Tricor's TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>. Please refer to the Administrative Notes for the procedures and requirements relating to the submission of proxy forms; and

By electronic means via email

- By electronic mail (email) to Tricor's email address at is.enquiry@my.tricorglobal.com to be followed by the deposit of a hard copy of the Form of Proxy and the Proxy Authorisation Documents at Tricor's office address stated in paragraph 10(a) above.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 25th AGM will be put to vote by poll.

### Personal Data Privacy

Personal Data Privacy
By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the Twenty-Fifth Annual General Meeting of the Company ("25th AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the 25th AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company (or propendity or penaltics) insidilities, claims. of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## PERSONAL DATA PROTECTION NOTICE

This Personal Data Protection Notice ("Notice") is issued to all shareholders (including substantial shareholders) ("Shareholders") of WARISAN TC HOLDINGS BERHAD ("Company", "WTCH", "we", "us" or "our") in accordance with the Personal Data Protection Act, 2010 ("Act") which came into force on 15 November 2013. The Act regulates the processing of personal data and requires us to notify you on matters relating to your personal data that is being processed, or that is to be collected and further processed by us. For the purpose of this Notice, the terms "personal data" and "processing" used in this Notice shall have the meaning prescribed in the Act.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has also on 15 November 2013 amended the Main Market Listing Requirements ("Listing Requirements") consequential to the Act. Under Paragraph 2.14A of the Listing Requirements, any person who provides or has provided personal data to Bursa Malaysia should read and be aware of Bursa Malaysia's personal data notice available at Bursa Malaysia's website <a href="https://www.bursamalaysia.com">www.bursamalaysia.com</a> ("Bursa Malaysia's personal data notice"). If the Company provides Bursa Malaysia with personal data of the Shareholders, the Company must notify the Shareholders of Bursa Malaysia's personal data notice.

As Shareholders of WTCH, your personal data which may include your name, national registration identity card number (NRIC no.), passport number, address, date of birth/age, contact details and number, email address, gender, nationality, shareholding in WTCH, bank account number, CDS account number and any other personal data required, may be processed by WTCH and its related companies ("WTCH Group") for the following purposes ("Purposes"):

- (a) Compliance with the Companies Act 2016, Listing Requirements and applicable relevant laws, regulations and guidelines, as may be amended, from time to time;
- (b) Verification of information to authorities and governmental agencies;
- (c) Deliver, communicate and transmit to the Shareholders of WTCH's annual report, circular to shareholders, and any other information through modes of communication and delivery we deem appropriate;
- (d) Payment of dividends and giving of other benefits to you as Shareholders, if applicable;
- (e) Maintain, upkeep and update our records regarding our Shareholders' information; and
- (f) Dealings with all matters in connection with your shareholding in the WTCH; or such other purposes as may be related to the foregoing.

The personal data processed by us include all information you have provided to us as well as other information we may obtain about you.

Your personal data may be disclosed by us in connection with the Purposes to parties including but not limited to companies within WTCH Group (whether present or future), our professional advisers, insurance companies, auditors, lawyers, banks, share registrars and other service providers, governmental and/or quasi-governmental departments and/or agencies, regulatory and/or statutory bodies and third parties as may be required by law or arising from any legal obligations which is imposed on WTCH Group. Your personal data may be transferred to a place outside Malaysia.

If you fail to supply to us your personal data, we may not be able to process your personal data for any of the Purposes.

We are committed to ensuring that your personal data is stored securely. You are responsible for ensuring that the personal data you provide to us is accurate, complete and not misleading and that such personal data is kept up to date.

Please also be notified that you have the right to request access to and correction of your personal data and you have a choice to limit the consent of the processing of your personal data.

### PERSONAL DATA PROTECTION NOTICE

cont'd

Your written requests or queries pertaining to your personal data should be addressed to:

Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia

Attention : Ms. Lim Lay Kiow, Senior Manager

Tel No. : +603-2783 9299 Fax No. : +603-2783 9222

Email : <u>Lay.Kiow.Lim@my.tricorglobal.com</u>

By providing to us your personal data, you hereby consent to the processing of your personal data in accordance with all of the foregoing. You shall also procure the consent of your proxy appointed to attend any general meeting of WTCH on your behalf whose personal data is provided to us by you for any purpose relating to the general meeting.

In accordance with the Act, the Notice is issued in both English and Bahasa Malaysia. In the event of inconsistency between the English version and the Bahasa Malaysia version, the English version shall prevail.

Issued by : Warisan TC Holdings Berhad 29 April 2022

### NOTIS PERLINDUNGAN DATA PERIBADI

Notis Perlindungan Data Peribadi ini ("Notis") dikeluarkan kepada semua pemegang saham (termasuk pemegang-pemegang saham utama) ("Pemegang Saham") WARISAN TC HOLDINGS BERHAD ("Syarikat", "WTCH" atau "kami") menurut Akta Perlindungan Data Peribadi, 2010 ("Akta") yang berkuatkuasa pada 15hb November 2013. Akta ini mengawal selia pemprosesan data peribadi dan menghendaki kami untuk memaklumkan anda berkenaan perkara-perkara yang berkaitan dengan data peribadi anda yang sedang diproses, atau yang akan dikumpul dan diproses oleh kami. Untuk tujuan Notis ini, terma-terma "data peribadi" dan "pemprosesan" yang digunakan dalam Notis ini hendaklah membawa maksud sepertimana yang ditakrifkan dalam Akta tersebut.

Bursa Malaysia Securities Berhad ("Bursa Malaysia") telah membuat pindaan kepada Keperluan Penyenaraian Pasaran Utama ("Keperluan Penyenaraian") pada 15hb November 2013 akibat daripada Akta ini. Seperti yang tertakluk di bawah perenggan 2.14A Keperluan Penyenaraian, sesiapa yang memberi atau telah memberi data peribadi kepada Bursa Malaysia, haruslah membaca dan menyedari tentang notis data peribadi Bursa Malaysia yang terdapat di laman web Bursa Malaysia di <a href="https://www.bursamalaysia.com">www.bursamalaysia.com</a> ("notis data peribadi Bursa Malaysia"). Sekiranya Syarikat membekalkan data peribadi Pemegang Saham kepada Bursa Malaysia, Syarikat mesti memaklumkan Pemegang Saham tentang notis data peribadi Bursa Malaysia.

Sebagai Pemegang Saham WTCH, data peribadi anda mungkin termasuk nama, nombor kad pengenalan, nombor pasport, alamat, tarikh lahir/umur, maklumat dan nombor perhubungan, alamat emel, jantina, kewarganegaraan, pegangan saham dalam WTCH, nombor akaun bank, nombor akaun Sistem Depositori Pusat (CDS) anda dan data peribadi lain yang dikehendaki, yang mungkin diproses oleh WTCH dan syarikat-syarikat yang berkaitan dengannya ("Kumpulan WTCH") untuk tujuan-tujuan berikut ("Tujuan"):

- (a) Mematuhi Akta Syarikat 2016, Keperluan Penyenaraian dan undang-undang, peraturan-peraturan dan garis panduan berkaitan yang mungkin dipinda dari semasa ke semasa;
- (b) Pengesahan maklumat kepada pihak berkuasa dan agensi kerajaan;
- (c) Menyampaikan, menghubungi dan menghantar laporan tahunan WTCH, pekeliling kepada Pemegang Saham, dan lain-lain maklumat kepada Pemegang Saham melalui cara komunikasi dan penyampaian yang kami anggap sesuai;
- (d) Pembayaran dividen dan manfaat lain kepada anda sebagai Pemegang Saham, jika berkenaan;
- (e) Mengekal, menyelia dan mengemaskinikan rekod kami yang berkaitan dengan maklumat-maklumat Pemegang Saham; dan
- (f) Untuk berurusan dengan semua perkara yang berkaitan dengan pegangan saham anda dalam WTCH; atau bagi tujuan-tujuan lain yang mungkin berkaitan dengan perkara-perkara yang dinyatakan di atas.

Data peribadi anda yang diproses oleh kami merangkumi segala maklumat yang diberi oleh anda serta maklumat lain yang mungkin kami perolehi berkenaan anda.

Maklumat peribadi anda mungkin dizahirkan oleh kami untuk Tujuan di atas kepada pihak lain termasuk dan tidak terhad kepada syarikat-syarikat dalam Kumpulan WTCH (sama ada pada masa kini atau masa depan), penasihat profesional, syarikat-syarikat insurans, juruaudit, peguam, bank, pendaftar saham dan pembekal perkhidmatan lain, semua jabatan dan/atau agensi kerajaan dan/atau kuasi-kerajaan, badan-badan penguatkuasa dan/atau berkanun dan sebarang pihak ketiga, sebagaimana yang dikehendaki undang-undang atau timbul daripada apa-apa kewajipan undang-undang yang dikenakan ke atas Kumpulan WTCH. Data peribadi anda mungkin akan dipindahkan ke suatu tempat di luar Malaysia.

Sekiranya anda gagal membekalkan data peribadi anda kepada kami, kami mungkin tidak dapat memproses data peribadi anda bagi mana-mana Tujuan tersebut.

Kami akan memastikan semua data peribadi anda disimpan dengan selamat. Anda bertanggungjawab untuk memastikan bahawa data peribadi yang anda berikan kepada kami adalah tepat, lengkap, tidak mengelirukan dan dikemaskini.

Adalah dimaklumkan bahawa anda mempunyai hak untuk meminta akses dan membetulkan data peribadi anda atau menghadkan pemprosesan data peribadi anda.

## **NOTIS PERLINDUNGAN DATA PERIBADI**

cont'd

Setiap permintaan bertulis atau pertanyaan berkenaan data peribadi anda perlu disampaikan ke alamat di bawah:

Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)] Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Malaysia

Untuk Perhatian : Cik Lim Lay Kiow, Pengurus Kanan

No. Tel : +603-2783 9299 No. Fax : +603-2783 9222

Emel : <u>Lay.Kiow.Lim@my.tricorglobal.com</u>

Dengan membekalkan data peribadi anda kepada kami, bermaksud anda bersetuju membenarkan kami memproses data peribadi anda selaras dengan apa-apa yang dinyatakan di atas. Anda juga harus mendapatkan persetujuan proksi anda yang dilantik untuk menghadiri apa-apa mesyuarat agung WTCH bagi pihak anda sekiranya data peribadi mereka dibekalkan oleh anda kepada kami untuk apa-apa tujuan yang berkaitan dengan mesyuarat agung.

Mengikut Akta tersebut, Notis ini diterbitkan dalam Bahasa Inggeris dan Bahasa Malaysia. Sekiranya terdapat sebarang ketidakseragaman atau percanggahan di antara versi Bahasa Inggeris dan Bahasa Malaysia, versi Bahasa Inggeris akan diguna pakai.

Dikeluarkan oleh : Warisan TC Holdings Berhad

29 April 2022



www.warisantc.com.my

WARISAN TC HOLDINGS BERHAD
[Registration No. 199701009338 (424834-W)]
62-68, Jalan Sultan Azlan Shah
51200 Kuala Lumpur Malaysia

Tel: +603 4047 8888 Fax: +603 4047 8636 Email: corporate@warisantc.com

